



Current areas of convergence and divergence on the Santiago Network for Loss and Damage

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I. Introduction

The recently released contributions of Working Group II to the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment report acknowledge that loss and damage is happening now and will continue to escalate. The most vulnerable communities in the world are experiencing the most severe levels of both economic and non-economic [loss and damage \(L&D\)](#), the impacts of climate change which cannot or will not be avoided through mitigation and adaptation efforts.

At COP 25 in Madrid in 2019, as per [Decision 2/CMA.2, para. 43](#), the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) established the Santiago Network for Loss and Damage (**Santiago Network**) as part of the Warsaw International Mechanism for Loss and Damage (**WIM**), with the mandate to catalyse the technical assistance (**TA**) of relevant Organisations, Bodies, Networks, and Experts (**OBNEs**) for the implementation of relevant approaches for averting, minimizing, and addressing loss and damage at the local, national, and regional levels. The Santiago Network will focus on catalysing TA for developing countries that are particularly vulnerable to the adverse effects of climate change.

The Santiago Network's [six functions](#) were defined at COP 26 in Glasgow in 2021, but there is still a need to operationalise it and ensure it can deliver its functions effectively to meet the needs of frontline communities. In addition to the six functions, the COP 26 decision set out a process to further develop the institutional arrangements of the Santiago Network including an invitation to Parties and relevant organizations to submit their views on the following five aspects:

1. Operational modalities;
2. Structure;
3. Role of the Executive Committee and its expert groups, task force and technical expert group;
4. Role of Loss and Damage Contact Points (**LDPCs**) and other relevant stakeholders at the subnational, national and regional level; and
5. Possible elements for the terms of reference of a potential convening or coordinating body that may provide secretarial services to facilitate work under the Santiago Network.

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In addition, the UNFCCC secretariat was requested to arrange a [technical workshop](#) in collaboration with the Chairs of the subsidiary bodies (SBs) to further discuss those elements. The workshop was held in Copenhagen from 4 - 6 May. So far, submissions have been made by thirteen Parties, six from other agencies within the UN System, two admitted intergovernmental organisations, nine admitted non-governmental organisations and one non-admitted entity, the Loss and Damage Youth Coalition. The technical workshop was a successful event that provided a forum to build on these submissions. At the SBs in Bonn on 6 - 16 June, Parties will consider the submissions and the discussions at the technical workshop with a view to making recommendations for consideration and adoption at COP 27 in Sharm el-Sheikh in November 2022.

Thus as Parties prepare for the SBs, the purpose of this brief is to present a short summary of areas where there appears to be convergence and divergence. Of course, the submissions and technical workshop processes are not formal negotiations processes and are only indicative of Party positions on matters. Parties' actual positions on these issues will become much clearer once the negotiations begin at SB 56. A more detailed summary of the discussions so far will be circulated before the SBs.

II. Where are we now?

There appears to be strong convergence around the urgent need to operationalise a long-term and permanent structure for the Santiago Network. There is also strong convergence that the TA provided by the Santiago Network is demand-driven, which will require some form of grounding at the local level. There also seems to be convergence that the operationalisation of the Santiago Network should not create additional burdens to developing countries and should enhance what already exists while being careful to not duplicate existing work, aiming to fill gaps where assistance is not currently available.

There also seems to be growing convergence around the notion that to accelerate the process of operationalisation of an effective Santiago Network we can learn from and share experiences of other similar initiatives, bodies and networks such as the Climate Technology Centre and Network (CTCN), a TA network under the UNFCCC that focuses on technologies for mitigation and adaptation, but in doing so there is a need to adjust models to the L&D context where a locally-led approach is essential.

Learning from the CTCN experience, numerous comments have been made regarding the risk that if the Santiago Network follows the CTCN's voluntary funding structure model, this will undermine its ability to carry out its functions. This concern must be given serious attention as, at this stage, the financing modalities of the Santiago Network are unclear. Specifically, it is unclear whether the Santiago Network will have the resources to fund all the TA catalysed and, if not, what additional finance developing countries are expected to rely on to benefit from the TA catalysed by the Santiago Network. In circumstances where finance for addressing L&D is scarce and the Loss and Damage Finance Facility proposed by the G77 & China at COP 26 is not yet established, this issue must be given dedicated attention to ensure the Santiago Network has the resources to deliver its mandate. Notwithstanding that at COP 26 Parties decided the Santiago Network **will** be provided with funds to support technical assistance, it was proposed during the technical workshop that if there is an expectation that finance will be limited,



attention must also be given to prioritisation criteria for the disbursement of funds: this is a sensitive discussion that would need to be inclusive and Party-led.

Another key lesson from the CTCN is that effective engagement between the Santiago Network and developing countries relies on available capacity at the national level. The less capacity a country has the more challenging it will be to benefit from the TA catalysed by the Santiago Network. Building capacity in countries not only assists effective prioritisation of needs but also helps build self-sufficiency and helps ensure resources reach those most in need. Thus Parties have suggested that guidance provided to LDCPs on their role and where they exist, reinforced by capacity building initiatives, will be essential to supporting effective engagement to realize their potential for being key to communication and coordination. However, countries must retain ownership over the engagement process and Parties must ensure that this respects country capacities and is country-driven.

There appears to be strong convergence that the Santiago Network must build on and complement what already exists and focus its activities on filling gaps where support is not already available such as in the areas of non-economic losses and slow-onset events. Many also consider that care should be taken to not be overly prescriptive or box in a definition of what the Santiago Network will address given that L&D needs will evolve over time and differ across different regions, as such the Santiago Network needs to be flexible. However, further discussion is needed to clarify where the activities of the Santiago Network should fit in the broader landscape of action to avert, minimise and address loss and damage including the humanitarian, human mobility and disaster risk reduction sectors. This is critical to broader understandings of the role of the Santiago Network and its modalities.

The following table captures some key issues that arose in discussions during the recent technical workshop and is intended as a guide to assist Parties and stakeholders to consider areas where further discussion is needed as they turn their attention to Bonn.

Element	Description	Status
Structure	There is convergence that a secretariat/coordinating body is to be established to facilitate the delivery of the functions in decisions 19/CMA.3 and 17/CP.26 para 9, coordinate the activities of the Santiago Network, report on progress to the COP/CMA and coordinate with the activities of the ExCom. It must be lean and agile with full time and permanent staff.	Convergence ▾
	There is convergence that a network of members (OBNEs) at the regional, national and sub-national level capable of responding to requests and delivering options and solutions tailored to local needs is to be established to assist the secretariat/coordinating body to respond to requests for assistance.	Convergence ▾
	There were a variety of perspectives on the Santiago Network membership process including suggestions that the Santiago	In progress ▾



Element	Description	Status
	<p>Network look to the CTCN for lessons learned. Parties discussed that the network of OBNEs could be flexible and, rather than having a formal membership, OBNEs could be accredited based on their track record and ability to deliver. Some also highlighted that in order to ensure that the Santiago Network builds capacity where it is needed, the process must facilitate small, new, less developed organisations from the global South being engaged, and otherwise be inclusive of as many stakeholders as possible, including academia, local, regional and international actors.</p>	
	<p>There is strong convergence around the need for an advisory body to be established. Parties have expressed views that this body may deal with, for example, prioritisation criteria, membership criteria, ensure that the Santiago Network remains demand-driven, agree on work plan and operational modalities, approval of annual reports - among others.</p>	<p>Convergence ▾</p>
	<p>Although there is strong convergence that an advisory body is needed, there are divergent views as to whether a separate and distinct structure is needed and instead some suggest that the WIM Executive Committee (ExCom) could perform the advisory body functions. Those who do not support a separate structure suggest it would create additional bureaucracy. However, others propose that it would remove bureaucracy e.g. by removing the requirement to negotiate certain details under the COP/CMA process. Some have also indicated that the ExCom does not have the resources or mandate to carry out the advisory body role. Further discussions are needed to better understand the basis for divergent views and how to overcome them. Discussions about the composition of the advisory body cannot proceed until this foundational issue is resolved although Parties have referenced the CTCN Advisory Board and Adaptation Fund Board as potential models.</p>	<p>Divergent views ▾</p>
	<p>There is convergence that the ExCom should be included in the structure and, at a minimum, the knowledge and technical expertise of the expert groups should support the Santiago Network and the work should be complementary and coordinated to avoid duplication. Further discussion is needed regarding the parameters of the relationship.</p>	<p>In progress ▾</p>
	<p>There is convergence that Loss and Damage Contact Points (LDCPs) are important to the effective functioning of the Santiago Network but the decision text should not be too prescriptive as there must be flexibility for countries to decide</p>	<p>In progress ▾</p>



Element	Description	Status
	<p>what arrangement will enable them to most effectively engage with the Santiago Network. Further discussion is needed regarding the parameters of the relationship as views range from merely relaying information to a more substantive role including coordinating different entities and building on existing UNFCCC contact points, leading Loss and Damage Needs Assessments and inputting into UNFCCC processes e.g. national reporting. Discussion is also needed regarding the need for capacity building of LDCPs to ensure effective engagement between countries and the Santiago Network.</p>	
Operational modalities	<p>Parties have not yet had a comprehensive discussion of the operational modalities to be adopted and the process for doing so. However, there is convergence that the operational modalities should be flexible and be able to be adapted and adjusted over time in response to the needs of developing countries. They should include elaborating how the secretariat/coordinating body will receive requests for TA and how it will actively connect those seeking TA with best-suited OBNEs, and also discussions about membership of OBNEs.</p>	Convergence ▾
	<p>There is convergence around the proposition that finance for the administration of the Santiago Network will largely be covered by the host organisation/s of the secretariat/coordinating body whilst TA would be paid for by funds provided to the Santiago Network for its activities e.g. by developed countries as urged in decision 1/CMA.3. However, negotiations are urgently needed as to the modalities for the management of funds provided for technical assistance and the terms for their disbursement, as well as the source of finance and how and where finance needed beyond that which is available under the Santiago Network can be accessed pursuant to function 9(f).</p>	In progress ▾
	<p>Loss and Damage Needs Assessments (LDNAs) (similar to Technology Needs Assessments under the UNFCCC Technology Mechanism) are viewed by some Parties as foundational to function 9(b), to assist countries to understand what they need and the barriers to addressing those needs. However not all Parties hold this view and this requires urgent discussion. The range of views can be categorised as follows:</p> <ol style="list-style-type: none"> 1. A new process is designed for implementation by the Santiago Network through OBNEs; 2. A less comprehensive process is designed on the basis that existing processes such as National Adaptation 	Divergent views ▾



Element	Description	Status
	<p>Plans and Technology Needs Assessments already assess some of the relevant issues;</p> <p>3. No process is designed on the basis that the role of the Santiago Network is not to facilitate that type of foundational assistance; instead its role is merely to respond to requests where developing countries have already articulated their needs.</p>	
	<p>There is convergence that monitoring and evaluation modalities are needed but the details need further discussion. This may be negotiated or could be elaborated by the Santiago Network once it is operational. Ideas include that monitoring could be of 1. The TA that is catalysed by the Santiago Network; 2. The performance of the Santiago Network itself; and 3. Whether a vulnerability is reduced. Parties should discuss whether the already agreed reporting arrangement between the OBNEs and the ExCom, the reviews of the WIM (next review 2024) and existing vulnerability reporting by the IPCC, indicators under the Sustainable Development Goals and the Sendai Framework will be sufficient or whether additional and separate processes are needed including an annual report to the COP/CMA.</p>	In progress ▾
Terms of Reference	<p>It is possible that Parties will use CTCN decision text as a model for the Terms of Reference (TOR) of a host or hosts of the secretariat/coordinating body: see decision 2/CP.17, Annex VII. Parties have shared views on the TOR, for example, that language on human rights including of indigenous people should be integrated in the TOR but agreement on specific points remains unclear. Parties have indicated a need for a host or hosts either within or outside the UNFCCC with resources and capacity for effective operations, relevant background and expertise on the broad scope of L&D, located in the global South, experience in multilateral engagement and managing global networks and financial management systems of international standard.</p>	In progress ▾

III. Where to next?

The Santiago Network is not yet operational. All Parties agree that the full operationalisation of the Santiago Network is essential as the adverse impacts of climate change intensify and the limits of adaptation are reached leading to accelerating losses and damages. The urgent need for TA to reach climate impacted peoples is well recognised. The Santiago Network must be party driven, but needs to operate in a way that is rapid and robust, enabling it to catalyse action on the ground. This not only

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requires the Santiago Network to be mandated to act quickly but also that it is established with the essential capacities and funding to support this work at the scale necessary to make a difference.

Parties must consider what issues need to be resolved, in what order and how. At the UNFCCC subsidiary body meetings in Bonn, this must include reaching consensus on a timeline of what can be agreed in terms of decision text by COP 27 and where certain elements may need more time to resolve. Parties need to consider what elements can be deferred to COP 28 without delaying the ability of the Santiago Network to start its work. As for the level of detail needed in such decisions, Parties should consider the option of providing a mandate to the Santiago Network's secretariat/coordinating body (and advisory body), once established, to determine further details of the operation of the Santiago Network to avoid delay. As already noted above, they can look to the example of the CTCN for how this may practically be achieved.

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