

The Road to COP28: Exploring the Challenges of Implementing the Loss and Damage Fund

An Interview with Hyacinthe Niyitegeka (Climate Negotiator) and Christian Fernández Dávila (Assistant to AILAC's Presidency) by Lara Schade (GCE) and Kira Kluge (GCE)

Introduction

At the culmination of COP27 in Sharm El-Sheikh, negotiators established the Loss & Damage (L&D) Fund – a decision that has been dubbed one of the [most significant breakthroughs](#) in 30 years of climate negotiations. Countries have pledged to set up a [dedicated fund that supports vulnerable nations](#) to address the negative consequences of climate change. These states are disproportionately affected by economic and non-economic impacts from extreme weather events, such as hurricanes, and chronic climatic processes, such as droughts, desertification, or sea level rise, which destroy the local infrastructure and economy.

While the agreement to set up a dedicated L&D Fund is a significant achievement, many questions remain unresolved with regard to the operationalisation of the financing mechanism. Ensuring that the Fund is implemented such that vulnerable countries are adequately equipped to address climatic impacts is one of the key aims for COP28. However, negotiators have neither agreed on how much money will be needed to support them financially, nor who should pay for the Fund, or how grants should be allocated.

We spoke with two young champions who are playing a critical role with L&D, in order to explore the most pressing topics regarding the upcoming negotiations about the L&D Fund, and how young people can effectively channel their voices into demanding an ambitious, just and equitable financing mechanism.

Hyacinthe Niyitegeka is a water scientist and a climate negotiator with experience working on climate policy in different contexts.



Christian Fernández Dávila was a Peruvian negotiator on Adaptation and Loss and Damage at COP27. Now, he works as the Assistant to the AILAC's (Independent Association of Latin America and the Caribbean) Presidency at COP28.



Interview

Lara Schade: Could you quickly summarise why a Loss & Damage Fund is so essential for the fight against climate change?

Hyacinthe Niyitegeka: The need for a Loss & Damage Fund has arisen because we failed to effectively mitigate and adapt to climate change in the first place when it was still possible. It is not a new concept; in 1991 Vanuatu on behalf of Small Island Developing States (SIDS) called for action to address loss and damage. Unfortunately, this proposal was unsuccessful. Discussions around L&D are not new, and it took a while to get to this point. After 30 years of UNFCCC discussions, a L&D fund was established. The economic and non-economic losses and damages are already affecting many communities around the world and those on the frontlines of climate change impacts from developing countries are the most affected. Additionally, these communities lack the resources including finance, capacity building, and technical assistance to address the issue. Thus, developing countries are expecting this mechanism to start running and being operationalised as soon as possible to ensure that they get sufficient and timely finance to address loss and damage.

Christian Fernández Dávila: I think, from the perspective of someone living in Peru, we can feel the impact of climate change in a number of ways. Peru has a lot of ecosystems that are affected differently. For example, our glaciers: we have 70% of the world's tropical glaciers and they are an essential resource. However, over the past 50 years, we have lost 50% of those due to climate change. We also have problems with drought in some parts of the country, and landslides in others. The fires in the Amazon are leading to biodiversity loss. We do not have enough money, infrastructure or technology to build up capacities to counter those impacts and that means people suffer as a result.

Lara: What key challenges have to be addressed at COP28 to ensure an ambitious, just, and equitable implementation of the L&D Fund?

Christian: For me, the most important aspect is that the Fund is agile and mature in its structure. This is really crucial to ensure that it is easy for countries and communities to get access to the funds when they need them. Another key aspect that I hope will be resolved at COP28 is the question of how the Fund will be capitalised. This is always a difficult conversation addressing sensitive issues like historical emissions and

responsibilities for climate change, but it is a necessary one. Without clear commitments from countries to contribute a specific sum to the Fund, we won't have the means needed to support vulnerable communities. Creating the framework for the L&D Fund at COP27 was a great step ahead, but without countries pledging money, it will remain a shell to be filled. To build on the breakthrough of COP27, negotiators need to follow through this year!

Hyacinthe: When implementing the L&D Fund, there are key characteristics that need to be fulfilled to reach vulnerable communities. First, civil society organisations and developing countries have stressed that the funding provided through the L&D mechanism has to be new, additional, predictable and sustainable. This means that money should not just be reallocated from existing funds for development aid, for example, but it needs to be a new source of climate finance. Here, it is also critical that the funding provided is grant-based. Developing states cannot bear incurring any more debts when dealing with L&D.

Second, it is essential to not only provide developing nations with funding to deal with L&D but also to support them with technical assistance. This is why the work of the [Santiago Network](#) is so important, which was established in 2019 to connect affected countries and communities with experts to help make plans to effectively address loss and damage at the local, national, and regional levels.

Lara: How can young climate activists advocate for a more meaningful L&D Fund?

Hyacinthe: One great opportunity came out of the [Transitional Committee](#), which makes recommendations for how the Fund should be operationalised at COP28. One of its recommendations was to engage youth on the board of the L&D Fund proceedings ([TC4/2023/9/Rev.1, Paragraph 31](#)). So, it is really important to follow up on this and make sure that we have youth representatives in those proceedings. Having a young person to represent our generation will help to make our voices heard and also open the doors for other children and young people to engage with L&D processes.

Christian: I have talked with senior negotiators and many of them see the role of civil society as key, as we are doing the advocacy, looking at what they are doing and demanding that they do the right thing. Young people are going to be the ones most affected by climate change in the coming years. Thus, we should be both inside and outside of the negotiations. However, many younger people still don't fully grasp the urgency of climate change and this is where other young people, and especially youth organisations, are doing the important work of not only educating those around them on the impacts of climate change but also putting pressure on these negotiators.

Conclusions

At Generation Climate Europe, our [thematic priorities](#) include an emphasis on a just and inclusive L&D Fund that takes into account the opinions of those countries most vulnerable to climate change. We believe that the Global North, especially the EU as a leading historical emitter, has a fundamental responsibility to ensure that the Fund is transparent and reaches the Most Affected People and Areas (MAPA). Therefore, our policy demands can be summarised in the following statement:

*“At COP28, the EU must champion ambitious, just and equitable financing by
1) ensuring that funding is reaching the Most Affected People and Areas (MAPA)
2) taking proportional responsibility as a lead historical emitter
3) providing funding through public contributions”*

You can read more about Generation Climate Europe’s strategic priorities and engagement at COP28 on our [website](#) and on our social media channels.

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