October 2022

The United Nations Convention on Climate Change 27th Conference of Parties (COP27) – ZSL's call to put nature at the heart of global decision making

Introduction

What is the UNFCCC?

The UNFCC is one of the three Rio Conventions that were opened for signature at the Rio Earth Summit in 1982, along with the Convention on Biological Diversity and the Convention to Combat Desertification.

The UNFCCC entered into force in 1994 and is ratified by 198 countries. It sets out the basic legal framework and principles for international cooperation with the aim of stabilizing atmospheric concentrations of greenhouse gases (GHGs) to avoid "dangerous anthropogenic interference with the climate system"

While the three Rio conventions are intrinsically linked, there has been little practical overlap in implementation to date resulting in a siloed approach the climate, biodiversity and desertification crises

What is happening at this COP?

The 27th Conference of Parties (COP27) will take place in Sharm El-Sheikh, Egypt from 9th to 16th November, and represents a vital moment for the future of international action on tackling climate change. Following COP26 in Glasgow last year, COP27 will be primarily focused on the task of moving pledges and commitments into domestic implementation and the scaling up of global decarbonisation efforts. The Egyptian presidency of COP27 has said they wish COP27 to be an "implementation COP" and this is likely to dominate the agenda. COP26 saw the final passage of the "rule book" for the Paris Agreement that sets out the mechanisms and procedures for its activities. With this, the task of negotiating a climate agreement is broadly over (with a few minor exceptions). What COP27 represents is a shift in focus from the UNFCCC attempting to bring member states together in agreement to act, towards the mobilisation and implementation of that committed action.

This meeting is also being hailed as the 'African COP' and therefore key issues around food security and loss and damage alongside adaptation and resilience for vulnerable states will likely dominate the agenda. It is expected that climate justice and the need for sufficient financing will again prove divisive issues between Developed and Developing country blocks.

What is ZSL's engagement?

Anthropogenic climate change has become an increasing driver of biodiversity loss and interacts with the main immediate threats to biodiversity from over-exploitation, habitat loss, invasive species and pollution. Increasing climate breakdown will come to dominate and become the single greatest driver of change for wildlife and people.

Until recently, addressing the causes and consequences of climate change has been very siloed. In COP26 in Glasgow, a major step forward was the recognition and inclusion of nature and the restoration of ecosystems as a key response. ZSL has been working to build bridges between the often-siloed work of biodiversity, nature, and climate change, in highlighting the role of nature as an integral climate solution. In particular, ZSL has focused on the role of nature-based solutions and rewilding and we continue with these focuses for our engagement at COP27.

Our focus remains on efforts to integrate climate and biodiversity solutions, ensuring that biodiversity recovery remains at the heart of climate responses. We will not solve the biodiversity crisis if we cannot solve the climate crisis, but actions to address the climate crisis currently do not prioritise biodiversity, Therefore, a clear message has to be maintained that nature needs to sit at the heart of climate decision-making and we need to evidence this and engage wider audiences to demonstrate the opportunities available.

ZSL will be participating at COP27 and is co-leading a side event entitled "Bringing nature-based climate action into cities in challenging times", focused on how urban nature-based action such as rewilding brings health, climate and nature benefits. The event is in partnership with the German Development Institute, the Boticário Group Foundation for Nature Protection, Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental (SPVS) and York University in Canada.

ZSL's Headline messages for COP27 are as follows:

Nature must sit at the heart of decision-making to address the global climate crisis

- ZSL is concerned that nature will not be a prominent theme at COP27 and progress made in COP26 will be either stalled or lost. This cannot happen and we need to see strong endorsement from the Egyptian Presidency alongside support from key country parties.
- ZSL's core call to action is for member states to endorse and prioritise the protection and restoration of ecosystems and their component species as essential nature-based solutions to addressing the climate crisis and a tool for climate resilience and adaptation. In practical terms we want to see nature-based solutions feature prominently in the Nationally Determined Contributions (NDCs) and implementation plans of all country parties.

- Nature-based solutions carry significant co-benefits for biodiversity, human productivity, human health and wellbeing that will be lost if the opportunity is not taken. ZSL recognises they are not the only response needed and particularly cannot be used as an alternative to the massive emission reductions that are required.
- Recognising the chronic underfunding of biodiversity conservation, ZSL is also calling for the development and importantly the delivery, of global financial mechanisms that support biodiversity positive nature-based solutions, utilising both public and private sector finance to stimulate action.
- Action to restore ecosystems extends to urban areas where the majority of the world's population live. Rewilding urban areas will connect billions with nature, provide new habitats and mitigate the impacts of climate stress (particularly heat stress) on human health.

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geopolitics surrounding topics such as adaptation and loss and damage financing there is the very real risks that divisions on these issues between developed and developing states could cause irreparable rifts that risk the integrity of the agreement. As such, success at COP27 is also rooted in avoiding this possibility, making progress on these divisive financing topics, and maintaining (or ideally increasing) the scale and momentum of decarbonisation and nature positive action.

Specific recommendations and positions:

Our focus on the recovery of biodiverse ecosystems as a key response to the climate crisis, sits within a broader set of priorities that ZSL shares with many other stakeholders in the climate negotiation process. These include:

Rapid decarbonisation

- Large-scale scaling up of NDC's and national implementation plans towards a rapid reduction in greenhouse gas emissions

Integrating biodiversity and climate change agendas and the role of Nature-based Solutions (NBS)

- Initiatives to address the chronic underfunding of global biodiversity conservation.
  Investment should sit alongside transparent systems of evaluation and monitoring to assess progress.
- Global commitments to and investments in Biodiversity positive Nature-based Solutions
  Wide-scale adoption of NBS 'best practice' to ensure that all NBS initiatives are biodiversity positive for the long term. This should sit alongside a monitoring framework that enables the standardised quantification and comparison of biodiversity gains associated with NBS to be agreed.
- Increased awareness of the co-benefits of NBS in both sequestration and building climate resilience and commitments to integrating biodiversity and climate change agendas.
- Global commitments to investment in nature alongside rapid decarbonisation
  Tackling misinformation that can perpetuate the idea that NBS can be used in place of decarbonisation, rather than part of a multi-pronged approach to tackling the climate and biodiversity crisis.
- Investment in the role of nature and rewilding in urban areas
  Wider investment in the role of urban rewilding as a benefit multiplier for carbon drawdown and building urban resilience to the impacts of extreme weather on human health, wellbeing, and safety.

Climate and Nature Financing

- The delivery of promised finance from developed to developing countries:
  The 2009 COP15 conference that took place in Copenhagen saw developed countries pledge $100 billion/year in climate finance to developing countries by 2020. However, the pledge has yet to be realised with a number of wealthy countries further delaying to 2023. As such, developing countries are still calling out for financial support for adaptation, mitigation, and decarbonisation of energy systems. COP27 must see progress in the mobilisation and implementation of these pledges. An inability to support low income countries risks creating a divide across member states that could jeopardise the viability of the Paris Agreement if countries feel they do not have the support or resources to meet the necessary targets.
- Fast and equitable roll out of pledged nature financing commitments:

COP26 saw major financial commitments for nature. Such international action and commitment to nature should continue, but it will need to be accompanied by the large-scale roll out of these finances. At present, there is a significant lack of clarity on how these funds will be implemented and at what pace. At COP27 there is a need for clarity on these questions. Additionally, attention should be given to how the mobilisation of these nature funds can work to aid vulnerable and low-income communities in both income generation and climate resilience.

- A scaling up of financing for nature:
  Although the commitments made at COP26 were a positive step in a nature positive direction, they are far from the hundreds of billions of investment needed annually to reverse biodiversity decline globally by 2030. COP27 must see an increase in commitment and capital being invested in nature to 2030 and beyond. Central to this will be the role of blended finance, with public and private funds joining together to protect natural capital, scale up ambition and focus on the rapid implementation of nature positive schemes.

Loss and Damage (L&D)

- Increased mobilisation of commitments and action to Loss and Damage financing from member states in the global north that seeks to enable countries and communities to recover from the impacts of extreme weather events as much as possible.
- Awareness of the vital role of nature in Loss and Damage
  An understanding that the impacts of Loss and Damage are highly linked to the destruction of natural systems that are vital for human thriving which are often difficult or impossible to recover without major investment in resources, time, and funding.
- The establishment of a new loss and damage facility within the UNFCCC.
  Amid the rapidly increasing rate of extreme weather events leading to harm that cannot be adapted to, the need for the creation of UNFCCC mechanisms that move from discourse to action and financial mobilisation on Loss and Damage and supporting vulnerable states. This should include the establishment of a new loss and damage facility within the UNFCCC mechanisms.
- Building resilience for vulnerable states against the effects of climate change through investment in nature.
  Building resilience for vulnerable states and communities to ensure that developing countries that will bear the brunt of climate change are given the resources they require to rebuild, and support affected communities. Nature-based solutions represent an opportunity to build up resilience against climate shocks that can minimise the loss and damage experienced by vulnerable states. The creation of increased resilience via nature-based solutions must sit alongside loss and damage financing and rapid decarbonisation.

The following pages in this briefing will explore in these areas and recommendations in more detail, the progress we need to see at COP27, and the vital role nature can and should play in crafting solutions to the climate and biodiversity crises.

Rapid Decarbonisation

The state of play ahead of COP27

2022 has seen the development of a global energy crisis alongside an increase in the level of extreme weather events taking place across the world. For the COP27 negotiations, the task of keeping the Paris agreement's 1.5°C target in reach is teetering on the edge, with global action needed to rapidly reduce greenhouse gas emissions alongside investment in adaptation, mitigation and resilience strategies from the local to global scale.

Negotiations in Glasgow in 2021 saw global mobilisation and commitment to 1.5°C, but the events of the last year mean that implementation of targets, pledges and funds has not been in line with what is necessary to safeguard 1.5°C. As such, COP27 represents both an opportunity and a test to global leaders in galvanising around not only commitments, but their implementation across domestic legislation.

In light of the commitments made at COP26 in the creation of a new "work programme" to "urgently scale up" ambition and implementation on emissions reduction, this year's negotiations at COP27 will be focused on understanding the progress that has been made against those pledges, initiatives and commitments and acting on their implementation.

The most vital of these is Nationally Determined Contributions (NDCs) and the task of member states face in 'ratcheting' up their NDC commitments to stay in line with what is needed to ensure the 1.5°C remains viable. However, despite the vast majority of states signed up to the Paris Agreement having updated their NDC's since it came into force in 2015, progress in 2022 has been limited with only 23 of the 198 member states having submitted updated plans after COP26 by the deadline of 23rd September 2022 to be included in the annual progress report.

The Intergovernmental Panel on Climate Change (IPCC) estimates that the current level of emissions reductions commitments are far off what is needed. The current NDC commitments represent a 7% reduction in emissions from 2019 levels, but the amount needed to ensure we stay within the 1.5°C goal is closer to 43%. As such, a scaling up of NDC's at COP27 and into 2023 is imperative to make any tangible difference on the rate of global

> The core tenets of the Paris Agreement are as follows:
>
> *"Limit global temperature rise to well below 2°C and ideally 1.5°C, promote adaptation and resilience, and align financial flows with low-emissions, climate-resilient development"*
>
> Central to this are Nationally Determined Contributions (NDCs) which act as the foundation of the agreement and out which specific efforts countries are taking to meet it.
>
> *"In its NDC, each of the Paris Agreement's 194 Parties must lay out its aims to reduce emissions. Many also include plans for adapting to climate impacts and the financial requirements needed for implementation. Almost seven years have passed since the first round of commitments to the Paris Agreement [in 2015], and around 80% of NDCs have been updated."*
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> Fransen, T. *et al.* (2022) "The state of Nationally Determined Contributions: 2022," *World Resources Institute*.

temperature rise. At present, the current level of commitments means there is no credible pathway in place to keep within the 1.5°C goal.

The global energy crisis in 2022 has highlighted the fragility of a system overly reliant on fossil fuels for energy production. The crisis can and should highlight the need for a decarbonised energy system as a benefit for climate solutions and increasing the security of global energy systems.

The analysis and modelling conducted by the IPCCC shows that countries must implement and exceed the NDC's they have already committed to up to 2030 and scale up the ambition of future commitments. A sustained focus on simultaneous increases in ambition and the pace of implementation is central to keeping 1.5°C in reach.

The first UNFCCC Global Stocktake of progress is currently underway having been kicked off at COP26 and is due to conclude at COP28 in 2023. The stocktake is multi-stakeholder two-year process that will take place every five years. It will work to assess the collective progress of the Paris Agreement and showcase opportunities for how to increase action and support. If current trends in the scale of emissions reduction continue the stocktake is likely to show that countries are far off course for what is required.

ZSL is calling for the COP27 to lead to the large-scale scaling up of NDC's and national implementation plans towards a rapid reduction in greenhouse gas emissions

Integrating biodiversity and climate change agendas and the role of Nature-based Solutions (NbS)

> *"The climate change and biodiversity loss crises that underpin the breaking down of our environment are fundamentally connected. Interconnectedness between these two crises should not be underestimated: this is not just about climate change impacting biodiversity; it is also about the loss of biodiversity deepening the climate crisis. Reduced species abundance, local extinctions, as well as the rapid degradation and/or loss of ecosystems such as mangroves, tropical forests, peatlands and seagrass are indeed having a major impact on our planet's ability to store carbon, while reducing nature and people's ability to adapt to and/or cope with changing climatic conditions."*
>
> Dr Nathalie Pettorelli - Senior Research Fellow, The Zoological Society of London

Climate breakdown and biodiversity loss are intrinsically connected and solutions to tackle the crises must also be tackled in a joined up, holistic manner. There is a vital need to integrate global climate change and biodiversity science-policy agendas to address the joint crises of climate change and biodiversity loss.

The risks that climate change poses to nature are extreme, threatening the long-term survival of many species and the ecosystems where they reside. The sequestration of carbon in the natural environment (e.g., forests, peatland, sea grass and many more) is put at ever increasing risk with the high rate of habitat destruction and degradation, alongside the impact of temperature rise putting stress on already vulnerable natural systems. This also poses significant threats to humans, as we all rely on natural systems for survival and sustenance.

It is clear that a joint crisis of this type requires joined up solutions - and investment in nature represents a brilliant opportunity for countries to actualise their climate commitments under the Paris agreement, build resilience to climatic shocks alongside the restoring and protecting of nature. Nature can, and should, be understood as a vital tool in the task of combatting climate change, not only in its capacity as a carbon store, but also as a mechanism for increasing resilience and adaptation across environments to protect humans, their communities, and livelihoods.

Thankfully, in recent years we have seen an emergence of understanding in the need for linkages across scientific and political spaces and a recognition of the need for a combined approach. However, the reality is that such thinking is still struggling to translate into policy that effectively mobilises action towards the climate and biodiversity crisis. As described above, current political leadership on emission reduction targets are way off course of what is needed for devastating temperature rise and biodiversity destruction to be averted.

As such, there must be a joint effort, in commitment and funding, to protecting and restoring natural systems alongside the drastic reduction in fossil fuel emissions. Only a combined approach can see the survival of our natural earth systems that will ensure human and planetary thriving.

As the "implementation COP" that the Egyptian presidency is envisioning, a number of key actions are needed for COP27 to be deemed a success. These include the need for domestic implementation to be in line with Paris Agreement requirements, a rapid scaling up of investment in energy decarbonisation and nature-based solutions, alongside the vital work of supporting the most vulnerable countries through the task of decarbonising energy systems and protecting people against the most detrimental impacts of climate change.

Nature-based Solutions (NbS)– a climate solution tool and benefit multiplier for adaptation and resilience

At ZSL, a key area of our work is the use of Nature-based Solutions – an approach which both adapts to and mitigates the impacts of climate change. NbS, which include habitat protection and restoration, are low-cost, yet high-impact, and provide multiple benefits to people and wildlife.

Within the context of the UNFCCC, Nature-based Solutions are being increasingly discussed as a tool for addressing climate change and biodiversity loss along with being a resilience multiplier, tool for carbon sequestration and adaptation tool. When put in place alongside rapid decarbonisation of energy systems, they represent a colossal opportunity for how nature can be central to countries reaching their Paris Agreement goals alongside the protection and restoration of biodiversity.

> *"Not all forests are created equal…Coastal mangroves are far superior to tropical rainforests in terms of capturing carbon, thanks to their peaty soils. And they also offer protection from the increasingly intense tropical storms that we can expect as a result of climate change – especially in this part of the world, but also elsewhere, as with Hurricane Ida in the US."*
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> Dr Jurgenne Primavera. Chief Mangrove Scientific Advisor of the Zoological Society of London

The IUCN estimates that $57 billion have been saved from flooding damages averted by mangroves in China, India, Mexico, US and Vietnam each year. Investment in specific NbS initiatives can also play a major role in carbon sequestration, that alongside rapid decarbonisation, can aid in removing GHG's from the environment over the long term. When implemented correctly NbS can be a highly effective and low-cost tool for building up climate and extreme weather resilience, as is seen in the case of mangroves.

However, as discussions on NBS continue to develop, it is central that when implemented, NbS initiatives are a benefit over the long term to biodiversity. If implemented incorrectly or out of line with the local ecological context and needs, NBS can negatively impact biodiversity and adversely affect the communities who live alongside them. At ZSL, we are working to ensure that biodiversity recovery is at the heart of nature-based solutions and encourage policy makers to take a tailored approach to NBS that embraces the diversity of local ecosystems, rather than a one-size-fits-all approach.

The future of urban areas in an era of climate change – an opportunity and responsibility

By 2050, two thirds of the global population will likely live in cities and urban environments. This increase in urban saturation in an era of climate change makes clear the need to think about both the impacts of extreme weather on urban communities and the role nature can play in 'future proofing' cities against these events. For leaders, this change in urban density represents both a responsibility to protect and build resilience for urbanites and an opportunity to utilise the benefits of biodiversity as a low cost and highly effective resource for effective future proofing.

In an urban context there is a particular opportunity for the role of rewilding as a low-cost tool for the creation of climate resilience and the strengthening of biodiversity.

> *"Rewilding is a flexible, low cost, hands-off management approach to biodiversity conservation that can be deployed across a wide range of situations in urban settings. Rewilding seeks to reinstate natural processes, as opposed to restoring given former ecological states (invariably challenging in urban environments), and hence promotes reorganisation and redevelopment of ecological systems under changing environmental conditions, which increases ecological resilience. As such, it may provide a more successful approach to managing a variety of urban sites to enhance wildlife within cities, particularly those experiencing rapid climatic changes. Rewilding could be a key part of the urban design toolbox to improve public health and wellbeing and save costs in the long term as the effects of climate change become an increasing economic burden."*
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> *Rewilding Our Cities Report – ZSL 2022*

With the scale of urban populations likely to skyrocket in coming years, urban rewilding can play a central role in engaging urban populations with nature – improving their wellbeing and mental health – alongside bolstering resilience, mitigation, and adaptation from climate change through reduction in disaster risk, pollution levels and protection from extreme heatwaves and flooding.

At COP27 there is a need for attention to be given to the role urban spaces can and will play in the future of climate action, resilience, and the strengthening of biodiversity. As discussions around the role of nature and NbS increase in attention, scope, and ambition, ZSL is keen to highlight the role rewilding can and should play and the benefits it can bring to urban landscapes in the era of climate change.

ZSL is calling for progress in the following areas at COP27 on the importance of Integrating biodiversity and climate change agendas and the role of Nature-based Solutions (NbS)

- Initiatives to address the chronic underfunding of global biodiversity conservation.
  Investment should sit alongside transparent systems of evaluation and monitoring to assess progress.
- Global commitments to and investments in Biodiversity positive Nature-based Solutions
  Wide scale adoption of NBS 'best practice' to ensure that all NBS initiatives are biodiversity positive for the long term. This should sit alongside a monitoring framework that enables the standardised quantification and comparison of biodiversity gains associated with NbS to be agreed.
- Increased awareness of the co-benefits of NBS in both sequestration and building climate resilience and commitments to integrating biodiversity and climate change agendas.
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Climate and Nature Financing

The financing of climate and nature action for decarbonisation, adaptation, mitigation and resilience will be central at COP27.

The COP26 meeting in November 2021 saw a wide array of commitments towards climate finance and the financing of nature-based solutions and investment in nature. One of the headline successes of COP26 was the passing of the Glasgow Climate Pact, that saw 90% of world GDP and around 90% of global emissions committed to net zero by 'around mid-century', with 153 countries putting forward new emissions reduction targets for 2030 (otherwise known as nationally determined contributions or NDC's).

On commodity usage, COP26 also saw the Glasgow Leaders' Declaration on Forests and Land Use to halt and reverse forest loss and land degradation by 2030. As of Autumn 2022, 145 countries have signed onto the pledge, covering an estimated 90.94% of global forests. Other nature related successes at COP26 included a pledge by 12 developed countries to provide $12 billion (£8.75 billion) of public climate finance from 2021 to 2025 to new Global Forest Finance Pledge, with at least $1.5 billion (£1.1 billion) to protect the forests and peatlands of the Congo Basin. Such financial commitments sat alongside progress on joined up approaches to international traceability and transparency within the commodity trade with the launch of the Forest, Agriculture and Commodity Trade (FACT) Roadmap, with traceability and transparency one of the central themes of this government-to-government initiative. Across the private sector, the 500+ organisation strong Glasgow Financial Alliance for Net Zero represents an estimated USD 130 trillion in assets under management and advice.

However, despite the successes in bringing together government commitments and private finance for decarbonisation action and investment in nature, the question of implementation still looms large. In the year since COP26, there remains limited clarity on how the pledged finance will be distributed and at what pace. The pace of decarbonisation needed to stay within reach of the 1.5-degree target is immense, with investment in

The SPOTT platform, developed by ZSL, is free, online platform assessing commodity producers, processors and traders on their public disclosure regarding their organisation, policies, and practices related to environmental, social and governance (ESG) issues. Ahead of COP27 the Sustainable Business and Finance Team (SPOTT) team published a statement on the lack of progress towards the targets agreed at COP26:

"…despite the scope of national and corporate commitments to date, SPOTT data tell a different story, with individual company action lagging far behind business and finance sector pledges…SPOTT-assessed companies collectively manage over 50 million hectares – an area the size of France – for the production of palm oil, timber and pulp, and natural rubber. But only 19% (41/219) have a time-bound commitment to reduce greenhouse gas (GHG) emissions intensity. Only 18% (36/202 companies) have public deforestation commitments that apply to their supply chains, and just 35% (67/193) have publicly revealed the names and locations of their mills and processing facilities – a fundamental step if commitments are to be verifiable. Companies have a major role to play, and financial institutions have a great deal of leverage, in shaping and safeguarding a sustainable future through their purchasing and financing decisions. They must step up to support the advances made at COP27…"

Food, forests, and finance: putting nature at the heart of sustainable supply chains and responsible investment at COP27

nature and sustainable supply chains being central to the decarbonisation and creation of nature positive business practices. At present action and delivery of these targets is not taking place at the necessary pace or scale and there has been a lack of clarity on how pledged financing for nature will be mobilised and implemented.

In light of the need for urgent implementation in emissions reduction and investment in nature, ZSL is calling for progress in the following areas within the climate and nature financing at COP27:

- The delivery of promised finance from developed to developing countries:
  The 2009 COP15 conference that took place in Copenhagen saw developed countries pledge $100 billion/year in climate finance to developing countries by 2020. However, the pledge has yet to be realised with a number of wealthy countries further delaying to 2023. As such, developing countries are still calling out for financial support for adaptation, mitigation, and decarbonisation of energy systems. COP27 must see progress in the mobilisation and implementation of these pledges. An inability to support low income countries risks creating a divide across member states that could jeopardise the viability of the Paris Agreement if countries feel they do not have the support or resources to meet the necessary targets.

- Fast and equitable roll out of pledged nature financing commitments:
  COP26 saw major financial commitments for nature. Such international action and commitment to nature should continue, but it will need to be accompanied by the large-scale roll out of these finances. At present, there is a significant lack of clarity on how these funds will be implemented and at what pace. At COP27 there is a need for clarity on these questions. Additionally, attention should be given to how the mobilisation of these nature funds can work to aid vulnerable and low-income communities in both income generation and climate resilience.

- A scaling up of financing for nature:
  Although the commitments made at COP26 were a positive step in a nature positive direction, they are far from the hundreds of billions of investment needed annually to reverse biodiversity decline globally by 2030. COP27 must see an increase in commitment and capital being invested in nature to 2030 and beyond. Central to this will be the role of blended finance, with public and private funds joining together to protect natural capital, scale up ambition and focus on the rapid implementation of nature positive schemes.

Loss and Damage

Loss and Damage is a topic that is receiving increasing focus at UNFCCC negotiations and surrounding discourse. At COP27 significant time in the provisional agenda is being given to discussion on the topic as calls for action grow from the international community for action. This includes call for the establishment of a new loss and damage finance facility within the UNFCCC mechanisms.

The term "Loss and Damage" refers to the economic, social, and environmental harms from human-caused climate change[1]. It is focused on the consequences of climate change that cannot be adapted to or mitigated against (e.g., Sea level rise, flooding, severe drought), along with when communities do not have access to resources that could be useful in mitigation.

Discussions, tensions, and conflicts surrounding Loss and Damage have risen to a fever pitch in the last few years. At COP27 many developing country member states feel that without progress on Loss and Damage financing the core tenants of the Paris Agreement could be called into question, threatening the viability and success of the agreement in coming years.

The history of Loss and Damage

The debate surrounding Loss and Damage is rooted in the historical reality that the climate, biodiversity and pollution crises have predominantly been driven by economically developed countries in the global north, but the impacts of these actions are primarily impacting low-income countries with limited resources to tackle, adapt and mitigate against them. The rapid economic growth of many countries in recent decades is seeing a shift in the source of emissions, however the historical responsibility of economically developed countries in the rapid acceleration of carbon emissions through fossil fuel usage cannot be underestimated. Consequently, there are calls for the global north to commit large scale reparation style funds to these low income and vulnerable states to compensate for the damage caused and losses received.

Due to the manifestation of such un-adaptable climate change impacts being overwhelmingly and disproportionately felt by developing countries, the topic of Loss and Damage is closely linked to discussions around climate justice. Calls from developing countries for Loss and Damage provision have been voiced since

> *"We have run out of time to waste – our islands are being hit with more severe and more frequent climate impacts and recovery comes at the cost of our development…"GDP losses from tropical cyclones average at 3.7% per year. My home of Antigua and Barbuda is still picking up the pieces from Hurricanes Irma and Maria in 2017 which wiped out Barbuda – that hurricane season cost the Caribbean a record-breaking $300 billion in damages. Where are we finding the money to rebuild? Why must our islands, which contribute the least to the emissions that cause this crisis, pay the highest price?"*
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> Dr. Walton Webson - Permanent Representative of Antigua & Barbuda to the United Nations and Chair of the Alliance of Small Island States (AOSIS)

[1] The Warsaw International Mechanism for Loss and Damage, created in 2013, states that "Loss and Damage [is] associated with the adverse effects of climate change includes, and in some cases involves more than, that which can be reduced by adaptation" Article 8 of the 2015 Paris Agreement "reaffirmed the Warsaw International Mechanism for Loss and Damage as the main vehicle under the UNFCCC process to avert, minimize and address Loss and Damage associated with climate change impacts, including extreme weather events and slow onset events." (Source – UNFCCC)

the establishment of the UNFCCC over three decades ago, however action has been limited and pledges made have often not been honoured in the provision of financial assistance.

It is expected that Loss and Damage will be a divisive topic of discussion at COP27, with the possibility of major divisions as low-income countries feel ill equipped to survive the impacts of climate change related extreme weather events and changes to standard ecological processes. This year, this question on how, or even if, developed nations should pay for the impacts of climate change being experienced by developing countries are likely to dominate the negotiations.

The missing nature lens in discourse on Loss and Damage:

Biodiversity loss and natural commodity loss is central to Loss and Damage.

From the perspective of nature, as interest, attention and action increases on the topic of NbS and the role nature can plan in climate solutions, it is also vital to consider that the destruction of natural systems and commodities are at the centre of Loss and Damage. The natural systems that underpin agriculture, fisheries and many other essential systems are under extreme threat from climate change and are already experiencing major shocks (flooding, drought, extreme heat etc.) and represent unrecoverable damage for many local communities.

Additionally, the impacts of GHG emissions on sea level rise, ocean acidification, temperature increase and other shifts in weather systems all put vulnerable ecosystems and species at increasing risk of irrecoverable loss. The detrimental impact of climate change on nature, ecosystems and the economies that rely on them is central to loss and damage and thus warrants action and concern. The future protection and restoration of nature is intrinsically linked to the ongoing impacts of climate change.

For leaders at COP27 it is likely that Loss and Damage will dominate agendas and discussion with developing countries calling out for funds and support. It is vital for any decisions, commitments and activities that come out of COP27 on Loss and Damage to understand that vulnerabilities within natural systems are a central tenant of what is at risk of being lost and irreversibly damaged for under-resourced developing countries.

A lack of effective mechanisms:

Within the UNFCCC mechanisms, the Paris Agreement represents the first effective mechanism of global cooperation for countries to reduce their GHG emissions and work to adapt to climate change. However, the agreement has no way of addressing the financial and social costs of the damage done by climate change or how financial commitments and obligations should be used to pay for the damage. Traditional funding methods are also not effective for managing this kind of damage, with humanitarian aid being unable to deal with slow onset events such as sea level rise and traditional funding sources being too slow to pay out quickly after a climate disaster. As such, large Loss and Damage financing commitments are non-existent at present, despite consistent calls from low- and middle-income countries. Thus far, only a small number of developed countries have signalled support and pledged money for Loss and Damage financing, these include, Canada, Denmark, Germany, New Zealand, Scotland and the Belgian province of Wallonia. Despite this, calls for large-scale Loss and Damage

financing have been rejected by major economies, including the USA and the EU, effectively blocking the possibility of unified action.[2]

Such actions against Loss and Damage continued in 2021. At COP26, a group of developing countries known as the Climate Vulnerable forum proposed the creation of a "Glasgow Facility for Financing Loss and Damage". However, the proposal was downgraded from facility to "Glasgow Dialogue on Finance for Loss and Damage", following concerns from the USA and other major economies. The use of the term 'dialogue' allows for a delay in tangible financial action and saw no progress on discussions for increased funding for Loss and Damage.

The largest COP27 negotiating block, the G77+China made up primarily of developing countries are pushing for formal discussion on Loss and Damage to rectify the lack of action. Such calls have resulted in the inclusion of time for negotiations on Loss and Damage in the provisional agenda.

ZSL Is calling for progress in the following areas within the negotiations on Loss and Damage at COP27:

- Increased mobilisation of commitments and action to Loss and Damage financing from member states in the global north that seeks to enable countries and communities to recover from the impacts of extreme weather events as much as possible.

- Awareness of the vital role of nature in Loss and Damage
  An understanding that the impacts of Loss and Damage are highly linked to the destruction of natural systems that are vital for human thriving which are often difficult or impossible to recover without major investment in resources, time, and funding.

- The establishment of a new loss and damage facility within the UNFCCC.
  Amid the rapidly increasing rate of extreme weather events leading to harm that cannot be adapted to, the need for the creation of UNFCCC mechanisms that move from discourse to action and financial mobilisation on Loss and Damage and supporting vulnerable states. This should include the establishment of a new loss and damage facility within the UNFCCC mechanisms.

- Building resilience for vulnerable states against the effects of climate change through investment in nature.
  Building resilience for vulnerable states and communities to ensure that developing countries that will bear the brunt of climate change are given the resources they require to rebuild, and support affected communities. Nature-based solutions represent an opportunity to build up resilience against climate shocks that can minimise the loss and damage experienced by vulnerable states. The creation of increased resilience via nature-based solutions must sit alongside loss and damage financing and rapid decarbonisation.

[2] Within the Paris Agreement, article 8 is dedicated to the topic of Loss and Damage. However, due to pressure from a number of developed countries, a stipulation was added that Article 8 "does not involve or provide a basis for any liability or compensation". As such, within the current agreement, there is no obligation for wealthy countries to support Loss and Damage financing within the UNFCCC.