

# Santiago network on loss and damage

## Key results:

- Enhanced capacity in developing countries to avert, minimize and address climate-related loss and damage.
- Strengthened collaboration and coordination, coherence and synergy among network members to deliver effective and efficient technical assistance in developing countries.
- Facilitated access to effective and efficient technical assistance in developing countries particularly vulnerable to climate change.

## Justification for support:


















- Responding to loss and damage is a central climate action priority for Denmark.
- The Santiago network focuses on the developing countries most vulnerable to climate change, incl. LDCs and SIDS.
- The Santiago network was established by UNFCCC COP25 for more effective operationalization of loss and damage action.
- The Santiago network complements the new Fund for responding to Loss and Damage (FRLD), to which Denmark is a contributor, by enabling countries to plan and implement actions to address and minimise loss and damage.

## Major risks and challenges:

- *If financial support falls short, the Santiago network's ability to deliver effective assistance may be jeopardized.* The signed financing agreements provide adequate funding for operations in 2024-2028 and the budget will be further enhanced once agreements are signed with Denmark and the UK. The network secretariat is developing a strategy for the mobilization of additional donors.
- *Delays in the provision of technical assistance due to issues with operationalization of newly developed processes and procedures and delays in staff recruitment.* Considerable progress has been made in establishing rules and guidelines for the Santiago network. The secretariat's Director has been recruited, and other staff positions will be filled in the near future. UNOPS and UNDRR have appointed full-time staff to the secretariat temporarily until the permanent staff are in place.
- *A mismatch between support needs and member capacities in a new and developing field to respond to requests for support.* The member base of the network is in significant growth and is open to a broad and diverse range of actors (UN and non-UN), so there is likelihood of good access to a broad range of relevant expertise.

File No.	24/42084				
Country	Global				
Responsible Unit	KLIMA				
Sector	Environment and climate change				
Partner	UNOPS (technical partner: UNDRR)				
	<i>DKK million</i>	2025	2026	2027	2028
		-			
Commitment	20	0.5	19.5	-	40
Projected disbursement	20	0.5	19.5	-	40
Duration	1 June 2025 – 31 December 2028				
Previous grants	N/A				
Finance Act code	06.34.01.75				
Head of unit	Karin Poulsen				
Desk officer	Jette Michelsen				
Reviewed by CFO	Karen Marie Hansen				

## Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

## Objectives:

To catalyse the technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change.

## Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%	0%	0%	0%
Total green budget (DKK)	40m	0	0	0

## Justification for choice of partner:

UNOPS and UNDRR were selected by COP28 as co-hosts for the Santiago network secretariat. UNOPS is dedicated to providing project services for the UN and thus has well-established procedures and structures for project management and implementation. UNOPS is a well-known partner to the MFA and has implemented numerous interventions with funding from Denmark UNDRR is the UN's designated lead agency on disaster risk reduction and has considerable technical expertise related to climate change adaptation, loss and damage, and resilience.

## Summary:

The Santiago network is a mechanism under the UNFCCC/Paris Agreement, focusing on coordination and mobilizing quality technical assistance for the developing countries most vulnerable to the impacts of climate change. It embraces a demand-driven approach, where vulnerable developing countries and communities can submit requests for technical assistance vis-à-vis loss and damage. When a request is received, the Santiago network will either respond by matching the request with members' existing initiatives, resources and knowledge, or launch a call for proposals from members of the Santiago network for the provision of the requested support. Network membership is open to organizations, bodies, networks and experts (incl. UN and civil society organisations) with relevant expertise and experience. Members are selected based on an assessment of their technical expertise and capacity.

## Budget (engagement as defined in FMI):

Engagement 1 – the development project: Danish support to the Santiago network	DKK 39.5m
Engagement 2 – mid-term review	DKK 0.5m
<b>Total</b>	<b>DKK 40m</b>

Ministry of Foreign Affairs of Denmark

# **Danish Support to the Santiago network on Loss and Damage**

**2025-2028**

## **Project Document**

**Draft**

**25 February** 2025

Ref: 24/42084

## List of contents

List of contents	2
List of Acronyms	3
1 Introduction	4
2 Context, strategic considerations, rationale and justification	4
2.1 Context	4
2.2 The Santiago network	5
2.3 Rationale and justification	8
2.4 Strategic considerations	9
2.5 Links to other Danish engagements	10
2.6 Lessons learned from previous support	11
2.7 Project identification and formulation process	11
2.8 Choice of implementing partners and aid modalities	12
3 Project objective	12
4 Theory of change and key assumptions	12
5 Summary of the interim results framework	12
6 Inputs/budget	13
7 Institutional and management arrangements	14
7.1 Monitoring, review and evaluation	17
8 Financial Management, planning and reporting	18
9 Risk management	19
10 Closure	20
Annex 1: Context Analysis	21
Annex 2: Partner Assessment	25
Annex 3: Santiago Network Responsiveness to OECD-DAC Quality Criteria	28
Annex 4: Assessment of Santiago Network According to Danida AMG Standard Questions	29
Annex 5: How-to notes – key elements covered	31
Annex 6: Interim Results Framework	33
Annex 7: Budget and Indicative Forecast Details	35
Annex 8: List of Supplementary Materials	38
Annex 9: Process Action Plan	39

## List of Acronyms

AF	Adaptation Fund
AI	Artificial Intelligence
AOSIS	Alliance of Small Island States
CIF	Climate Investment Funds
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
DAC	Development Assistance Committee
DKK	Danish Krone
DRR	Disaster Risk Reduction
EUR	Euro
EW4All	Early Warnings for All
ExCom	Executive Committee
FRLD	Fund for responding to Loss and Damage
GCF	Green Climate Fund
GEF	Global Environment Facility
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
MEAL	Monitoring, Evaluation, Accountability and Learning
MFA	Ministry of Foreign Affairs of Denmark
MoU	Memorandum of Understanding
NGO	Non-governmental Organization
OBNEs	Organizations, Bodies, Networks and Experts
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
SCCF	Special Climate Change Fund
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
SN	Santiago network
SOFF	Systematic Observations Financing Facility
UN	United Nations
UNDRR	United Nations Office for Disaster Risk Reduction
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
USD	US Dollar

WFP	World Food Programme
WIM	Warsaw International Mechanism for Loss and Damage
WMO	World Meteorological Organization

## 1 Introduction

The present project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the Danish Support to the Santiago network in 2025-2028, as agreed between the parties: the United Nations Office for Project Services and the Green Diplomacy and Climate (KLIMA) Department of the Ministry of Foreign Affairs of Denmark (MFA). The project document is an annex to the legal bilateral agreement with UNOPS and constitutes an integral part hereof together with the documentation specified below.

The Santiago network is co-hosted by UNOPS (administration and financial management) and United Nations Office for Disaster Risk Reduction (UNDRR)(technical backstopping). The co-hosting roles of each agency are outlined in the Memorandum of Understanding between the United Nations Framework Convention on Climate Change (UNFCCC), UNDRR, and UNOPS.

“The Documentation” refers to the partner documentation for the supported intervention, which includes the ‘Project agreement template’, ‘Terms of reference of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change’, ‘Guidelines for managing funding’, ‘Memorandum of understanding between UNFCCC, UNDRR and UNOPS’, ‘Guidelines for the designation of organizations, bodies, networks and experts as members of the Santiago network’, ‘Guidelines and procedures for responding to requests for technical assistance’, ‘Guidelines on preventing potential and addressing actual and perceived conflicts of interest in relation to the Santiago network’, ‘Rules of procedure of the Advisory Board of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change’, ‘Santiago network interim results framework’, and ‘Santiago network work programme’. Once the ‘Santiago network Strategy’ has been developed and approved by the Advisory Board, it will become part of the partner documentation.

## 2 Context, strategic considerations, rationale and justification

### 2.1 Context

Loss and damage as a concept first emerged in the UN climate negotiations when the UN Framework Convention on Climate Change (UNFCCC) was drafted and refers to the impacts from climate-related slow onset events and sudden onset extreme events and encompasses both economic and non-economic loss and damage. In recent years, loss and damage has gained significant momentum on the international climate agenda, as the adverse effects of climate change intensify across the globe. More intense and frequent storms, sea level rise, droughts, rainfall variability, crop diseases and pests are on the rise. The pace and scale of such impacts are greater than previously assessed, with widespread, pervasive impacts to ecosystems, people, settlements, and infrastructure. This translates into increased and diverse losses and damages – loss of human lives, of biodiversity, of economic outputs and assets, of cultural heritage, and damage to human health, to property and to economic productivity. Vulnerable developing countries, including least developed countries (LDCs) and small island developing states (SIDS), are especially affected, linked to exposure, vulnerability and lack of capacity to cope with the effects of climate change (IPCC 2022). Economic losses and damages are those affecting resources, goods and services that are commonly traded in markets, such as damage to critical infrastructure and property or supply chain disruptions. Non-economic loss and damage refers to a broad range of harmful impacts that are not so easily quantified, especially in financial terms but has major implications for societal and ecological welfare.

Even as severe impacts are increasingly tangible at 1.1°C of warming, global mean temperatures continue to climb. Emission reduction pledges remain grossly inadequate to meet the 1.5°C goal, which the IPCC characterizes as not considered “safe” for most nations, communities, ecosystems and sectors, and posing significant risks to natural and human systems (IPCC 2019). Instead, latest estimates put the world on a trajectory towards up to 2.6-3.1°C of warming by the end of the century (UNEP 2024) with potentially catastrophic consequences where no adaptation actions are possible. At the same time, while adaptation

measures have been scaled up considerably, they remain inadequate and underfunded when compared with the magnitude of what is needed (Global Stocktake, COP28 and UNEP Adaptation Gap Reports 2023 & 2024) and insufficient in preventing all losses and damages. All while the window for adaptation action narrows as temperatures increase (IPCC 2022). Additional efforts to avert, minimize and address loss and damage are therefore crucial and increased support will be necessary, particularly for assisting the most vulnerable countries and populations who are disproportionately affected, despite having contributed the least to climate change. Estimates suggest annual loss and damage costs associated with climate change will range from USD 290 to USD 580 billion by 2030<sup>1</sup> without taking into account non-economic losses and damages. These losses are most devastating in low-income settings, where an average of 189 million people per year have been affected by extreme weather-related events since 1991. The Vulnerable Group of Twenty (V20)<sup>2</sup> economies are estimated to have lost 20% of their Gross Domestic Product (GDP) over the last 20 years and significantly increased their indebtedness due to the adverse impacts of climate change. Over the same period humanitarian needs have escalated, with 83% of all disasters in the 2010s attributable to climate and extreme weather events, and many appeals left seriously under-funded.<sup>3</sup>

COP19 in 2013 saw significant progress in the negotiations on loss and damage where Parties established the Warsaw International Mechanism for loss and damage (WIM) “*to address loss and damage associated with impacts of climate change, including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change*”<sup>4</sup> and promote the implementation of responses to the issue. An Executive Committee (WIM ExCom) was also established to guide the implementation of the functions of the WIM. Building on this, the Paris Agreement in 2015 recognizes loss and damage in Article 8 and specifically frames the need for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change. However, Decision 1/CP.21 which adopts the Paris Agreement specifically states that loss and damage “*does not involve or provide a basis for any liability or compensation*”.

## 2.2 The Santiago network

In 2019 at COP25, the Parties agreed on the need for a more effective operationalization of the WIM functions. This included the establishment of the Santiago network as a mechanism to address loss and damage in developing countries that are “*particularly vulnerable to the adverse effects of climate change*” by catalysing technical assistance for the implementation of WIM in developing countries, at the local, national, and regional level. The Santiago network will also contribute to the Sendai Framework for Disaster Risk Reduction.

At COP28 in December 2023, the United Nations Office for Disaster Risk Reduction (UNDRR) and the United Nations Office for Project Services (UNOPS) were selected as the co-hosts of the Santiago network secretariat. Following the decision of the Advisory Board of the Santiago network, the head office of the secretariat was established in Geneva, Switzerland. During 2024, the focus was on the full operationalization of the Santiago network, including the adoption of relevant decisions by its Advisory Board to enable the Santiago network to start its work. The Director of the Santiago network secretariat took office in November 2024.

The Santiago network contributes to addressing climate change impacts in developing countries that are particularly vulnerable. Its mandate is to catalyse technical assistance from organizations, bodies, networks and experts to support developing countries in averting, minimizing and addressing loss and damage caused by climate change. The mandate includes facilitating access to knowledge, finance and capacity building to address climate risks comprehensively at local, national and regional levels in developing countries. Technical assistance through the network will be provided through a country-driven process, taking into account the needs of vulnerable communities. Requests for technical assistance can be submitted by government/public institutions, academic institutions, non-governmental institutions and

---

<sup>1</sup> Markandya, A., González-Eguino, M. (2019). Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage: A Critical Review.

<sup>2</sup> <https://www.v-20.org/members>

<sup>3</sup> Getting ahead of disasters. The Charter. COP28 (2023). <https://gettingaheadofdisasters.org/>

<sup>4</sup> COP19, Decision 2

<sup>5</sup> [https://unfccc.int/sites/default/files/resource/cma2\\_auv\\_6\\_WIM.pdf](https://unfccc.int/sites/default/files/resource/cma2_auv_6_WIM.pdf)



civil-society organizations (all requests must be aligned with national priorities). Technical assistance is delivered through members of the Santiago network based on an open and transparent process managed by the Santiago network secretariat. The member base of the Santiago network is broad and growing and includes, among others, UN entities, NGOs, community-based organisations and individual experts that have relevant expertise and experience. The first request for support was submitted by Vanuatu in 2023, the Santiago network secretariat posted this request as its first call for proposals on the Santiago network website, proposals have been received (submission deadline on 31 January 2025), and the technical assistance grant is scheduled to commence in the first quarter of 2025.

Article 8 of the Paris Agreement specifies that support under WIM (incl. the Santiago network) may address the following areas: a) early warning systems; b) emergency preparedness; c) slow onset events; d) events that may involve irreversible and permanent loss and damage; e) comprehensive risk assessment and management; f) risk insurance facilities, climate risk pooling and other insurance solutions; g) non-economic losses; and h) resilience of communities, livelihoods and ecosystems. Given the demand-driven nature of the technical assistance to be catalysed through the Santiago network, it is not possible to provide a complete and comprehensive overview of the support that will be provided. Table 1 provides an indicative overview of anticipated types of support. Table 1 provides an indicative overview of anticipated types of support. As an illustrative example, Box 1 provides an overview of the call for proposal for technical assistance to Vanuatu.

**Table 1: Indicative types of technical assistance**

Nature/forms of technical assistance	Areas of work	Climate risks addressed
<ul style="list-style-type: none"> <li>Loss and damage assessments</li> <li>Loss and damage databases, including data management and disaggregation of data</li> <li>Risk assessments</li> <li>Gap analysis</li> <li>Plans and planning frameworks</li> <li>Comprehensive risk management / integrated planning</li> <li>Development of loss and damage financing frameworks and proposal development</li> <li>Monitoring</li> <li>Training and other forms of capacity development that could include study/exchange programmes, study visits, secondments, peer review and exchanges</li> <li>Curriculum development, literacy and risk communication at all levels</li> <li>Targeted assistance to vulnerable communities and populations, and civil society, the private sector and other relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Early warning systems</li> <li>Emergency preparedness</li> <li>Averting, minimizing and addressing non-economic losses (e.g. individual, environmental, social)</li> <li>Risk transfer mechanisms</li> <li>Innovative financing, including risk insurance facilities, climate risk pooling and other insurance solutions</li> <li>Recovery, rehabilitation, build back better</li> <li>Resilience of communities, human mobility, including migration, displacement and planned relocation</li> </ul>	<ul style="list-style-type: none"> <li>Slow onset events</li> <li>Extreme events / Sudden onset events</li> <li>Events that may involve irreversible and permanent loss and damage</li> <li>Multi-hazard</li> <li>Complex hazards/ compound events</li> </ul>
<p>Notes:</p> <ul style="list-style-type: none"> <li>Non-exhaustive, indicative list – to be expanded based on consultations and feedback</li> <li>The Santiago network may not provide support for intergovernmental negotiations</li> </ul> <p><i>Source: Guidelines and procedures for responding to requests for technical assistance Santiago network, 2024</i></p>		

**Box 1: Vanuatu request for technical assistance and call for proposals**

**Title:** Development of a long term nationally determined programme to address loss and damage in the Republic of Vanuatu

**Goal:** To create and bolster the enabling conditions for the Republic of Vanuatu to effectively design and commence the operationalisation of a long-term nationally determined programme to address loss and damage, including the required conceptual underpinnings, policy frameworks, institutional arrangements, decentralised governance systems and financial mechanisms.

The technical assistance will:

- Help Vanuatu make better investment and implementation decisions that consider a range of risks, both those that result from extreme events and slow-onset events, as well as the ways they interact and require combined responses;
- Enable a more holistic consideration of the adverse impacts of climate change, including by incorporating a valuation and equivalency for those consequences of climate change which are intangible or not quantifiable but nonetheless hold value for those experiencing the loss (i.e. non-economic loss and damage) as households and communities in Vanuatu are already moving from their ancestral lands due to the impacts of sea level rise and other climate risks;
- Establish conceptual underpinnings for national loss and damage programming, including how loss and damage links to current national systems of climate risk management, and will build clarity and local understanding of differences and convergences with existing climate and disaster management systems;
- Identify novel institutional arrangements that take the nation beyond siloed systems of disaster and humanitarian response, climate change adaptation or development planning;
- Support loss and damage governance decentralization, including risk reduction, resilience-building, and adaptive capacity at all levels of governance, namely local and subnational systems; and
- Help the WIM ExCom and other Parties better understand Vanuatu's local needs for loss and damage financial resources, technology, and capacity-building support which are new and additional to currently articulated climate needs and priorities.

**Expected results:**

1. National loss and damage visioning:
  - i. Localized and Vanuatu-specific concept/definition of loss and damage, linked to international and regional policy frameworks and methodologies related to climate change and disaster risk reduction based on extensive consultations at the local and national levels.
  - ii. Description of the views and needs expressed and options/aspirations proposed with regards to institutional, policy and governance reforms and financial mechanisms required to enable a fit-for-purpose national response to avert, minimize, and address loss and damage.
  - iii. A priority list of activities, projects and programmes to address extreme and rapid onset and slow-onset hazards, including associated economic and non-economic losses and damages, with estimated costs.
2. Assessment of loss and damage capacity development needs:
  - i. A loss and damage capacity needs assessment report, including costed capacity development measures at national and sub-national level for both government and non-government stakeholders, encompassing both economic and non-economic dimensions of loss and damage, drawing on the outcomes of the visioning exercise.
3. Approaches and methodologies for knowledge management, capacity building and communication:
  - i. A loss and damage knowledge brokering needs assessment report, including costed knowledge brokering measures at national and sub-national level for both government and non-government stakeholders considering, inter alia, the outcomes of the visioning exercise.
4. Request to the Fund for responding to Loss and Damage:
  - i. A budget support request to the Fund for responding to Loss and Damage in the form of a long-term loss and damage country programme
  - ii. An appendix document which demonstrates the Vanuatu government's functional equivalency with the World Bank's fiduciary principles and standards, utilizing existing safeguard and other national systems.

**Budget ceiling:** USD 330,000

*Source: <https://www.ungm.org/Public/Notice/253657>*



### 2.3 Rationale and justification

Responding to loss and damage is, by the Danish development cooperation, considered a central priority for climate action, with a dedicated focus on the most vulnerable countries. Denmark has played a proactive role in the international negotiations on loss and damage as well as been a frontrunner in providing financial support to initiatives aimed at responding to loss and damage, for example as co-chair of WIM ExCom and of the Cartagena Dialogue track on loss and damage. Denmark was one of the first countries globally to provide support for climate-induced loss and damage. At COP26 in 2021, Denmark pledged support to the Santiago network and in April 2022, Denmark hosted an international workshop on the Santiago network – a mandated workshop under the UNFCCC – with a view to operationalizing the network. Further, in 2022, Denmark provided DKK 100 million for loss and damage interventions, comprising DKK 35 million to the Global Shields Solutions Platform and DKK 65 million to Danish civil society organizations for interventions in the Sahel Region, and at COP28 in 2023 Denmark pledged DKK 350 million to loss and damage, including DKK 175 million to the new Fund responding to Loss and Damage announced two days after the COP decision on the Fund as well as DKK 40 million for the World Food Programme (WFP) and a new DKK 100 million call for loss and damage responses in Africa for NGOs (see section 2.5 for further information on the Danish engagement in addressing loss and damage). In line with efforts to address climate injustice, Denmark's engagement with the Santiago network also sends an important message to the most vulnerable countries of Denmark's commitment and support, in recognition that those who have contributed the least to climate change are the ones who bear the brunt costs of the impacts.

The Danish support to the Santiago network contributes to a number of priorities outlined in “***the World We Share – Denmark's Strategy for Development Cooperation***”, in particular the **fight for climate, nature, and the environment**. Specifically, it contributes to the Danish objectives of “*strengthening action to support climate change adaptation, nature, the environment and resilience in the poorest and most vulnerable countries*“, “*leaving no-one behind*“, and “*assuming international leadership within climate change adaptation...*“. This is done by assisting developing countries, including least developed countries (LDCs) and small island developing states (SIDS), with increasing their capacities to respond to the losses and damages caused by climate change, including to access loss and damage financing from various sources, including the new Fund for responding to Loss and Damage (FRLD) (also supported by Denmark), as well as existing multilateral financing mechanisms such as the Green Climate Fund (GCF), the Adaptation Fund (AF), the Least Developed Countries Fund/ Special Climate Change Fund (LDCF/SCCF) under the Global Environment Facility (GEF), and the Climate Investment Funds (CIF).

Given that the poor, including the poorest of the poor and *women*, are disproportionately vulnerable to climate change and that loss and damage risk pushing them further into poverty, the Santiago network's technical assistance to avert, minimize and address loss and damage is also expected to contribute to *poverty reduction, inclusive development, and leaving no-one behind*. Through capacity development vis-a-vis addressing loss and damage, including disaster recovery and resilience building, the network will help strengthening *the link between development and humanitarian action*.

Moreover, the grant to the Santiago network will contribute to the delivery of Denmark's aspirations to “*raise the global climate ambition*“, as expressed in “***A Green and Sustainable World – The Danish Government's long-term strategy for global climate action***“. In particular, the support for the Santiago network contributes to “*driving adaptation and resilience initiatives in the fight against climate change*” and “*increasing the ability to adapt to the adverse impacts of climate change affecting the poorest most severely and foster climate resilience*“. By enabling countries to access loss and damage funding including financing for addressing non-economic losses such as biodiversity, the Santiago network contributes to “*ensure green development cooperation rooted in solidarity*“. ***Danish competencies and solutions*** may come into play insofar Danish actors from civil society, the private sector and academia join the Santiago network as members, for example some Danish NGOs have tangible experience and expertise in addressing both economic and non-economic loss and damage at the community level in cooperation with local civil society partners. Danish academic institutions have conducted research and provided policy recommendations on loss and damage.

With the strengthening of government capacities of LDCs of which the majority are in Africa, through

demand-driven technical assistance, the support for the Santiago network contributes directly to the ambition under the Danish “*Africa’s Century*” strategy to **increase the support for climate change adaptation**. The strategy emphasizes that Denmark will enhance the engagement in “*climate-adapted agriculture and food production, water resources, protection and restoration of forests, biodiversity, ... as well as preparedness and monitoring systems for early warning of dangerous weather*” and that “*we must support the local capacity*”.

Supporting the implementation of the Santiago network will be a tangible manifestation of the **Danish commitment to promoting multilateralism** and cooperating with the UN.

Annex 3 provides a justification of the project based on the six OECD-DAC quality criteria.

## 2.4 Strategic considerations

**The Santiago network and the humanitarian-development nexus:** Loss and damage has clear links to climate change adaptation, disaster risk reduction, as well as the humanitarian-development nexus. Article 8 of the Paris Agreement specifically frames the need for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change. Addressing loss and damage will contribute to reducing the risk of vulnerable communities being pushed into disaster by climate-related hazards.

**Broad mobilization of expertise:** The Santiago network is looking to widely mobilize available technical and operational expertise with the aim to build a broad and inclusive member base. As such, while the network falls under the auspices of the UNFCCC structure and therefore managed by UN agencies, it is expected to have a much broader reach. Indeed, its current member base comprises a mix of UN agencies, civil society organizations, research institutions, networks, as well as individual experts, and includes members from both the global North and the global South. Some members have a focus on on-the-ground implementation of interventions, whereas others are academic, providers of capacity development and training, or advocacy-focused. The member base is growing and currently comprises 37 members, i.e. 23 organizations (six UN and 17 non-UN), two networks, and 12 experts, the Santiago network’s website contains frequently updated information on the member base<sup>6</sup>. As the member base grows, its diversity will further increase. For example, current members include WFP, the Food and Agriculture Organization (FAO), ODI Global, the International Office for Migration (IOM), the Institute for Global Environmental Strategies (IGES), and the Asian Disaster Preparedness Center (ADPC).

**Coordination with other actors:** There are several actors related to climate resilience and loss and damage, both within and outside the structures established under UNFCCC and the Paris Agreement. COP decisions underscore the importance and role of WIM vis-à-vis strengthening dialogue, The decision texts on the Santiago network specify that the network secretariat shall ensure coordination and collaboration with relevant UNFCCC constituted bodies (in particular the WIM ExCom) along with FRLD and also explore synergies with initiatives and actors outside the UNFCCC structure.

**ODA eligibility and targeting of LDCs and SIDS:** The Santiago network’s mandate (as established by the WIM and the Parties to the Paris Agreement) is to catalyse “*technical assistance for averting, minimizing and addressing loss and damage at the local, national, and regional levels, in **developing countries that are particularly vulnerable to the adverse effects of climate change***”.<sup>7</sup> Hence, the Santiago network will specifically focus on facilitating technical assistance to developing countries and with a focus on the particularly vulnerable countries, it is expected that the support in particular will reach LDCs and SIDS. It is thus anticipated that the recipients of technical advisory funded by the Santiago network will go to ODA eligible countries and that Denmark’s financial support will be 100 pct. in line with OECD-DAC definitions of development assistance. This will also be specified in the financing agreement with UNOPS.

**Scope for promoting Danish views and priorities:** the Santiago network is in the process of operationalization, and there is thus space for the contributors, including Denmark to engage in dialogue on its development and direction. Denmark is not presently a member of the Advisory Board but can

---

<sup>6</sup> <https://santiago-network.org/about/members>

<sup>7</sup> [https://unfccc.int/sites/default/files/resource/cma2\\_auv\\_6\\_WIM.pdf](https://unfccc.int/sites/default/files/resource/cma2_auv_6_WIM.pdf)

participate actively in Advisory Board discussions as an observer, however without voting rights. Donors to the network are mainly EU Member States and other likeminded European donors (incl. the European Union, Germany, Ireland, Luxembourg, Spain, Austria, Switzerland, and the United Kingdom) with similar priorities, and with whom Denmark has regular dialogue and cooperation. Under the international climate negotiations, the European Union provides guidance to the bodies constituted under the UNFCCC architecture for addressing loss and damage, including the Santiago network, the FRLD and the WIM. Through the EU, Denmark contributes to this guidance targeted at the Santiago network and its operationalization. Hence, there is scope for donor coordination and promoting joint European positions and Denmark can engage with the other donors in conveying Danish positions and priorities. Through participation at the governing bodies of UNFCCC, Paris Agreement and WIM, Denmark can also engage in influencing the strategic direction of the Santiago network. Moreover, KLIMA can engage in dialogue at the operational level with the Santiago network, as needed – for example to promote coordination and synergy between the network and other initiatives supported by Denmark (see section 2.5). The Santiago network welcomes bilateral meetings with donors.

**Danish priorities for the engagement in the Santiago network:** Denmark will through dialogue promote that the Santiago network:

- develops a network strategy with a clear positioning, role and added value of the Santiago network in the larger context, taking into consideration the needs expressed by the most vulnerable countries and communities and the roles of other actors (including FRLD)
- agrees on a lean and cost-effective setup for the regional representation of the Santiago network, utilizing existing UNDRR, UNOPS and UN offices and staff resources, rather than establishing stand-alone offices
- develops a business model that ensures that strong priority is given to providing technical support for LDCs and SIDS, for initiatives that reach the most vulnerable populations and communities, while also paying special attention to fragile and conflict-affected settings
- proactively engages in mobilising members that are operational, can respond rapidly and engage at sub-national and community levels, and proactively engage in empowering women and vulnerable groups
- proactively engages in cooperation and coordination with actors outside the UNFCCC structure and UN, including civil society organizations with hands-on experience with on-the-ground implementation of inclusive climate action
- coordinates its engagement and seeks synergies with FRLD and other initiatives that provide technical assistance for addressing loss and damage
- ensures transparency in implementation and develops highest standard guidelines for financial management, fiduciary mechanisms, environmental and social safeguards, and for the empowerment and participation of women and vulnerable groups – and ensures that network members apply and promote such standards and safeguards in the technical assistance they provide
- develops a risk management framework with clear and implementable risk mitigation measures

**Application of Danida’s how-to notes:** The Santiago network responds to several priorities and approaches outlined in the how-to notes, in particular, but not exclusively, those in the how-to notes on *‘Fighting poverty and inequality’* and *‘Climate adaptation, nature and environment’* (see Annex 5).

## 2.5 Links to other Danish engagements

Responding to loss and damage is by the Danish development cooperation considered a central priority for climate action, with a dedicated focus on the most vulnerable countries, and Denmark has played a proactive role in the negotiations on loss and damage. Denmark has been a frontrunner in providing political and financial support to initiatives related to loss and damage, and the Danish support for the Santiago network is also part of a larger Danish push to enhance the resilience of vulnerable people.

Denmark currently supports several such initiatives, including funding for other multilateral initiatives, bilateral support to partner countries and support for NGOs, and also humanitarian assistance. The initiatives most closely related to loss and damage and the Santiago network are briefly presented below.

Of particular relevance to the Santiago network is the recently approved (Autumn 2024) Danish support of DKK 175 million for FRLD (interim hosting by the World Bank). It is anticipated that technical assistance that enables developing countries to access and implement grants from FRLD will be a key element of complementarity and coherence of the Santiago network's support. Denmark is represented in the Fund's board, and is thus well-positioned to promote synergy, cooperation, and coordination between the Santiago network and the Fund in partnership with other likeminded donors to the two initiatives.

Another central loss and damage initiative is the Global Shield against Climate Risks aimed at strengthening the financial protection and resilience of vulnerable countries and people, supported by Denmark with DKK 35 million committed through the dedicated 'loss and damage package' in 2022. As part of a 'loss and damage package' announced at COP28 in 2023, DKK 40 million for WFP were committed in 2024 for the use of artificial intelligence (AI) to improve predictions to timely activate pre-arranged financing to protect vulnerable populations in East Africa from predictable loss and damage to food security caused by increasingly severe and frequent floods and droughts. WFP is also a member of the Santiago network and there is thus potential scope for synergy and cross-fertilization between the AI initiative and the network. The last element of the 'loss and damage package' from 2024 is a new DKK 100 million call for loss and damage responses in Africa for NGOs under the MFA's strategic partnership with 18 Danish NGOs. The NGOs responding to the call could potentially become members of the Santiago network.

Denmark also provides a) DKK 40 million (announced at COP28 in 2023) for the Early Warnings for All (EW4All) initiative (managed by WMO); and b) DKK 25 million for the Systematic Observations Financing Facility committed in 2022 and with a planned top-up of DKK 25 million in 2025 (managed by WMO, UNEP, UNDP).

Moreover, Denmark is a longstanding contributor to other funds, which countries can also access for support with links to loss and damage (GCF, AF, GEF LDCF/SCCF, CIF – hosted by the World Bank), potentially with technical assistance from the Santiago network.

## 2.6 Lessons learned from previous support

The Santiago network is a new initiative and is currently in the process of being fully operationalized. Similarly, while not a new topic, response to loss and damage is an emerging field work, albeit with clear links to climate change adaptation, disaster risk reduction, as well as the humanitarian-development nexus. Denmark has a long-standing track record of providing support to increase the resilience to climate change, including engaging in developing and strengthening early warning systems.

UNOPS is headquartered in Copenhagen and has been a major implementing partner of Danish multilateral development cooperation. Denmark has made a total of 31 voluntary contributions to UNOPS since 2013, thus being a well-known and tested partner, which has proven its ability as a project implementer. Danish voluntary contributions to UNOPS include projects on risk management (Somalia), and food security and livelihoods recovery from, and resilience to, variable shocks and stressors (Myanmar). Following a series of management failures, the UNOPS Executive Board initiated a comprehensive response plan in early 2023 to reform the management (see section 9). Denmark has proactively supported the reform process, and there has been good progress on its implementation and in restoring confidence in UNOPS' management processes.

Denmark has not provided core contributions to UNDRR, except for one voluntary contribution to the agency's 2010-2011 Biennial Workplan.

## 2.7 Project identification and formulation process

The Santiago network is still in the process of operationalization, although several key elements have already been established, or established in an interim form. Parties to UNFCCC and the Paris Agreement have agreed on the key mandate of the network and the overall delivery strategy. For the programming of



the Danish support, consultations were carried out with staff at UNOPS, UNDRR, the MFA (KLIMA and a Danish embassy), selected donors, and selected Danish NGOs.

## 2.8 Choice of implementing partners and aid modalities

The Santiago network secretariat is co-hosted by UNOPS (administration and financial management) and UNDRR (technical backstopping), which are thus the lead partners for the Danish support, although technical assistance to countries will be provided by the network members. Annex 2 provides a brief assessment of the two partners.

The Danish funding will be a core contribution to the Santiago network, which is expected to support climate vulnerable developing countries. The Danish grant will be channelled through UNOPS. The Danish contribution will be in accordance with the UNOPS standard grant modality. The project will follow the procurement and human resource rules and regulations of UNOPS. As described in Section 8, Danish financial management requirements will also be adhered to.

## 3 Project objective

The overall purpose of the Santiago network is *to catalyse the technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change.*

The interim results framework of the Santiago network outlines the following objectives (a final results framework will be developed after the Santiago network strategy has been developed and approved, see section 5):

- Enable timely and targeted responses to demand-driven requests for technical assistance relevant to averting, minimizing, and addressing loss and damage at the local, national and regional levels in developing countries particularly vulnerable to the adverse effects of climate change.
- Facilitate strong and diverse network membership, with expertise relevant to approaches to avert, minimize, and address loss and damage at the local, national and regional levels.
- Facilitate access to action and support from a variety of sources to meet technical assistance needs in developing countries particularly vulnerable to the adverse effects of climate change.

## 4 Theory of change and key assumptions

The Santiago network has not yet developed a theory of change, nor has it identified underlying assumptions.

A preliminary set of assumptions identified by the MFA is presented below:

- Donors are mobilized to provide sufficient funding for the Santiago network to become an effective facilitator of technical assistance for addressing loss and damage
- There is a high demand for technical assistance from the Santiago network
- The Santiago network will be able to mobilize a member base of sufficient and sufficiently diverse technical expertise, e.g. to unlock loss and damage funding and to plan and effectively implement loss and damage action
- Technical assistance for countries can be deployed in a timely and rapid manner by the Santiago network and its members

## 5 Summary of the interim results framework

For results-based management, learning and reporting purposes, Denmark will base the support on progress attained in the implementation of the project as described in the documentation. Progress will be measured based on the Santiago network's monitoring framework, once it is fully developed and adopted by the Advisory Board. The full interim results framework, including outputs and indicators (baselines and targets are not yet established), is presented in Annex 6. The interim results framework was approved by

the Advisory Board in 2024. A final results framework, including baselines and targets, will be elaborated once the Santiago network strategy has been prepared and approved by the Advisory Board (the draft strategy is scheduled for presentation to the Advisory Board in April 2025).

**Table 2: Interim results framework for the Santiago network**

Project	Santiago network
Objective 1	Enable timely and targeted responses to demand-driven requests for technical assistance relevant to averting, minimizing, and addressing loss and damage at the local, national and regional levels in developing countries particularly vulnerable to the adverse effects of climate change.
Objective 2	Facilitate strong and diverse network membership, with expertise relevant to approaches to avert, minimize, and address loss and damage at the local, national and regional levels.
Objective 2	Facilitate access to action and support from a variety of sources to meet technical assistance needs in developing countries particularly vulnerable to the adverse effects of climate change.
Outcome 1	Enhanced multi-dimensional capacity in developing countries, including knowledge and information, technology and access to finance to avert, minimize and address loss and damage.
Outcome 2	Strengthened collaboration and coordination, coherence and synergy among network members, across communities of practice, to deliver effective and efficient technical assistance in developing countries.
Outcome 3	Facilitated access to action and support to deliver effective and efficient technical assistance in developing countries particularly vulnerable to the adverse impacts of climate change.

## 6 Inputs/budget

Table 3 provides an overview of the indicative budget for 2024-2028. Annex 7 provides details on the budgets currently approved by Advisory Board for 2024-2025, as well as a rough indicative estimate of costs for 2026-2028. Furthermore, Annex 7 includes detailed information on the budget lines. Annual budgets are approved by the Advisory Board. Any budget changes will follow UNOPS standard procedures and be subject to approval by the Advisory Board.

Approximately USD 52.7 million have been pledged by Denmark, the European Union, Germany, Ireland, Luxembourg, Spain, Austria, Switzerland, the United Kingdom, and the United States of America (see Annex 7) for 2024-2028. The pledges from most donors (totalling USD 40.6 million) have been confirmed by signed financing agreements with UNOPS (pending for the United Kingdom) and disbursement of the first tranches.

The **Danish support** for the Santiago network in 2025-2028 totals DKK 40 million, of which DKK 39.5 million will be transferred to UNOPS. DKK 500,000 will be retained at the MFA for a Danish mid-term review of the Santiago network, if possible, conducted jointly with other donors or with the independent review scheduled by the Santiago network in 2026. Any currency risks (exchange rate losses and gains) are to be borne by the Santiago network via UNOPS.

The Danish funds will be a core contribution to the Santiago network, which will not be allocated to specific activities or budget lines in the Santiago network's budget. The Danish support to the Santiago network will only be spent on developing countries.

UNOPS and UNDRR are responsible for ensuring that the Danish funds are spent in compliance with the agreement and with due consideration to economy, efficiency and effectiveness in achieving the results intended, the details specified in the project agreement that Denmark will sign with UNOPS and the memorandum of understanding (MoU) between UNFCCC, UNDRR, and UNOPS.

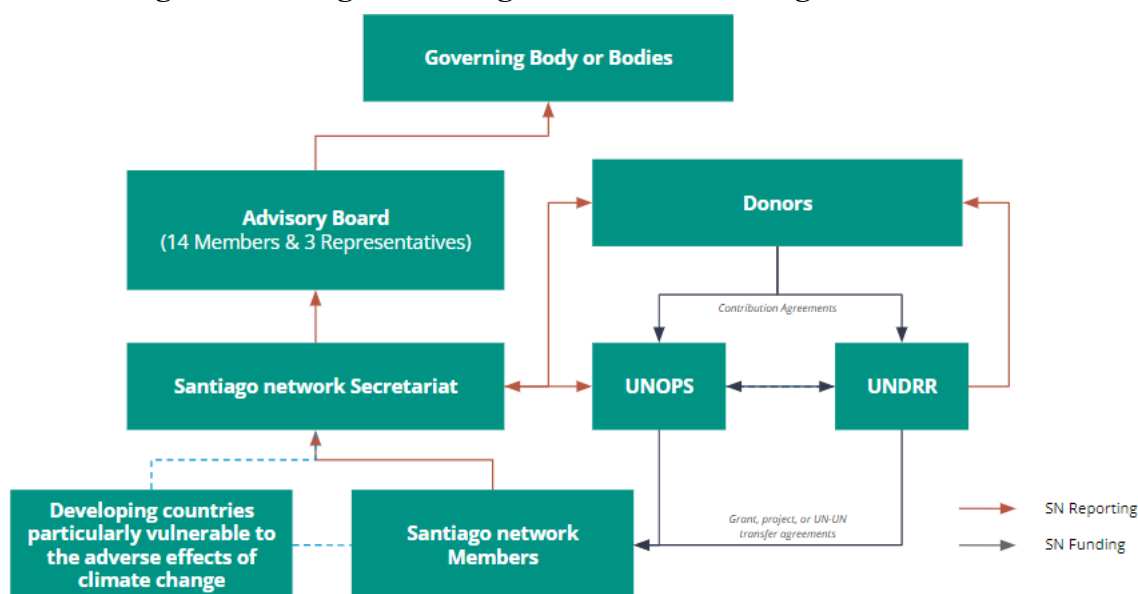
**Table 3: Santiago network budget and indicative estimates, 2024-2028**

Budget item	USD	DKK*	Percent
Technical Assistance	28,145,200	202,926,892	58.0%
Personnel	12,077,642	87,079,799	24.9%
Office Management	82,432	594,335	0.2%
Event Management and Travel	3,269,844	23,575,575	6.7%
Programme and Knowledge Management	1,504,658	10,848,584	3.1%
Shared Support Costs	425,592	3,068,518	0.9%
Technical Support Costs – UNDRR	402,475	2,901,845	0.8%
Contingency	480,652	3,465,501	1.0%
Management fee – UNOPS	1,872,231	13,498,786	3.9%
Programme Support Cost – UNDRR	224,845	1,621,132	0.5%
<b>Total</b>	<b>48,485,571</b>	<b>349,580,967</b>	<b>100.0%</b>
*UN Operational Rate of Exchange applied, 14 February 2025; USD 1.00 = DKK 7.21 ( <a href="https://treasury.un.org/operationalrates/OperationalRates.php">https://treasury.un.org/operationalrates/OperationalRates.php</a> )			

## 7 Institutional and management arrangements

Figure 1 provides an overview of the Santiago network governance structure. The terms of reference for the Santiago network outlines the governance arrangements for the Santiago network and the roles and structures of the Advisory Board, and the Santiago network secretariat.

**Figure 1: Santiago network governance and management structure**



Being an entity established under UNFCCC, the Paris Agreement and WIM, the highest levels of **Governing Bodies** are the COPs/CMAs, which establish the overall mandate, role and structure of the Santiago network and any changes hereto. The annual report of the Santiago network will be developed jointly with the ExCom, and the joint WIM report will be submitted to the COP/CMA. Furthermore, annual reports specifically for the Santiago network will be prepared (see section 8).

The **Advisory Board** is the decision-making body of the Santiago network, providing strategic direction in line with the objective and scope of the Santiago network as defined under the WIM. Detailed rules and procedures for the Advisory Board have been established. The Advisory Board has the following responsibilities:

- approving policies, procedures and guidelines
- providing strategic guidance for the implementation of the functions of the network



- providing guidance on the preparation of the annual reports
- approving modalities for the designation of members of the network
- approving the work programme, ensuring coherence and synergies with the ExCom workplan
- approving the annual budget of the network
- endorsing the appointment of the Director of the secretariat
- endorsing the financial statements
- reviewing the timeliness and quality of the responses to requests for technical assistance
- providing guidance and approving criteria used to assure the relevance and quality of expertise and services delivered by network members

The Advisory Board comprises the following members with voting rights: two members from each of the five recognized UN regional groups, one LDC representative, one SIDS representative, and two ExCom members. Moreover, one representative from the women and gender constituency, one representative from indigenous peoples' organizations, and one representative from children and youth NGOs, may actively participate in the deliberations of the Advisory Board but do not have voting rights. Similarly, donors may also participate in the Advisory Board meetings as observers and participate actively in Board in discussions, but they do not have voting rights (unless they also serve as representatives for their respective regional group). The Advisory Board co-chairs serve for one year, currently a representative from the Asia region (Japan) and one from the Africa region (Guinea) whereas new co-chairs will be selected during the second quarter of 2025. It meets at least twice annually, when possible, in connection with ExCom meetings. Intersessional meetings, mostly virtual, are held between the formal Advisory Board meetings. Advisory Board meetings are public and webcast live and on demand.

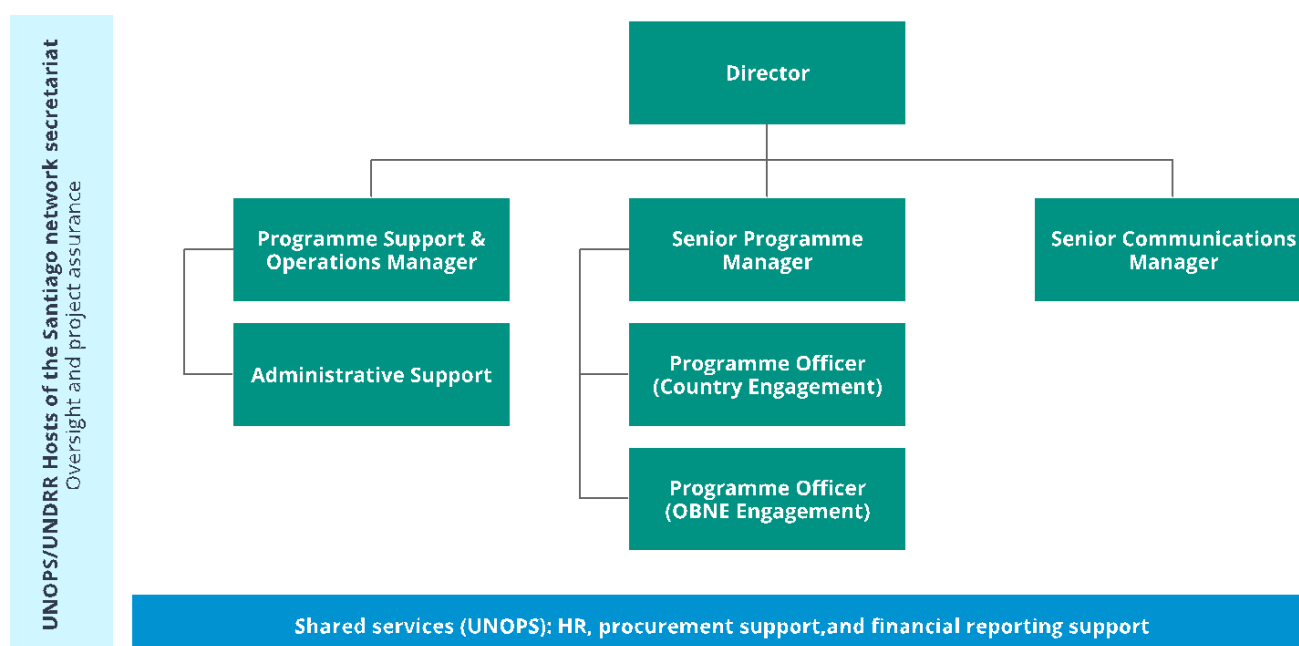
The **Santiago network secretariat** is co-hosted by UNOPS (administration and financial management) and UNDRR (technical backstopping) and based in Geneva. The roles and responsibilities of UNOPS and UNDRR are specified in the Memorandum of Understanding between UNFCCC on behalf of the Parties, UNDRR, and UNOPS. The secretariat operates under the guidance of the Advisory Board. The structure of the secretariat is presented in figure 2. The secretariat manages day-to-day operations of the Santiago network, including:

- building and managing the member base of the network, ensuring coordination and collaboration with relevant UNFCCC constituted bodies, in particular ExCom, exploring synergies with other initiatives and networks
- managing the process of responding to requests for technical assistance in coordination with network members
- developing and executing the Santiago network's work programme (building on synergies with the ExCom's five-year rolling workplan)
- promoting and disseminating information on the Santiago network in a manner that is comprehensible and accessible to communities
- administering funds, incl. managing and directing the disbursement of funds
- developing and operating the monitoring, evaluation accountability and learning (MEAL) framework
- supporting and facilitating the work of the Advisory Board

The secretariat is staffed with a Director and Operations Manager. Additional staff are yet to be recruited (see figure 2).

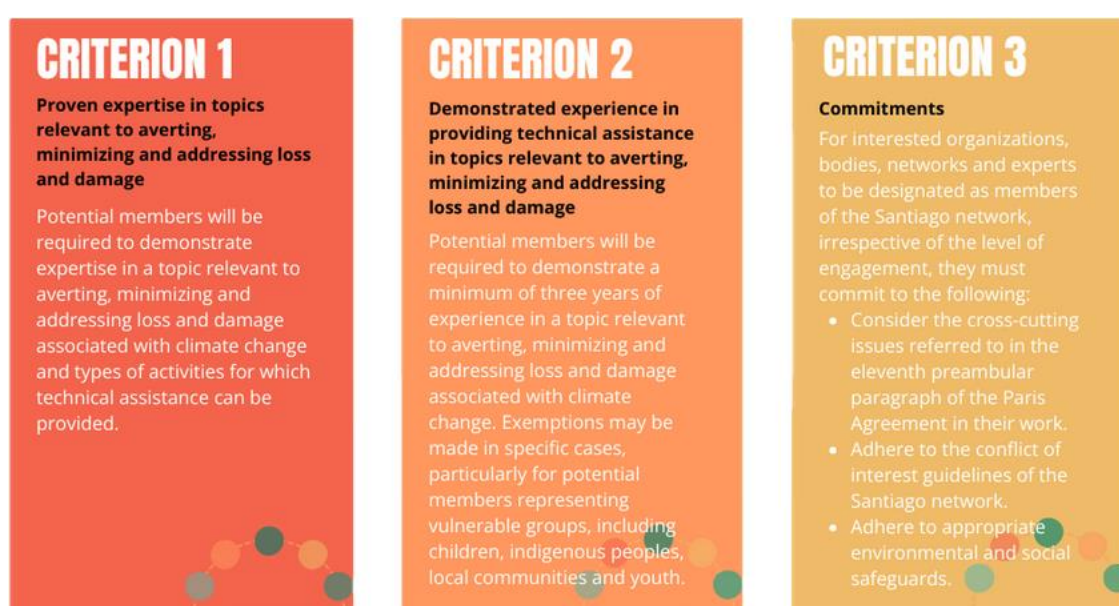
In addition to the office in Geneva, the Santiago network will establish a regional presence. This is anticipated to be ensured through existing UNDRR/UN offices that will serve as designated units to catalyse technical assistance in developing countries, rather than fully staffed stand-alone offices for the Santiago network.

**Figure 2: Santiago network secretariat**

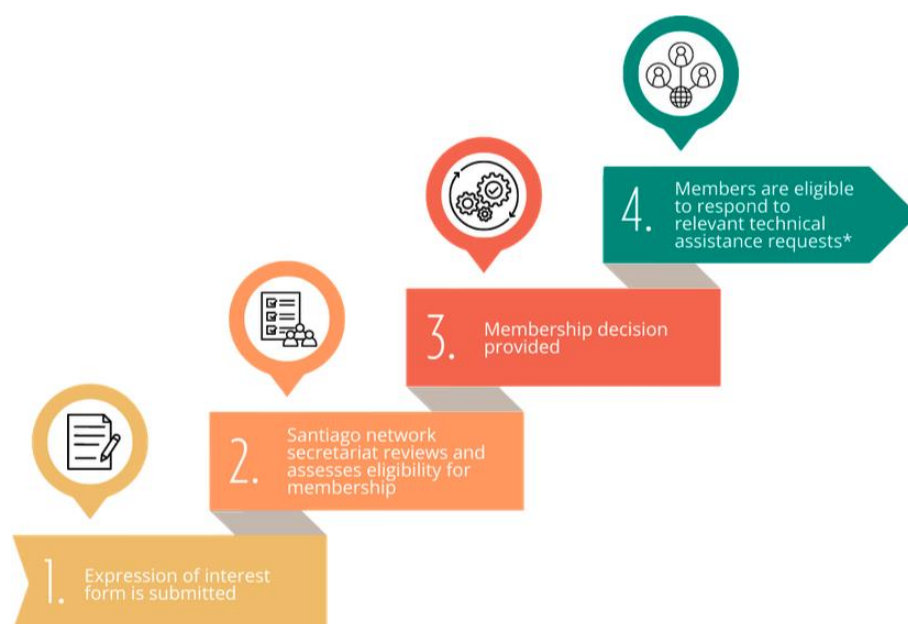


**Members:** The members of the Santiago network will provide technical assistance to countries (governments, academic institutions, NGOs, civil society organizations) requesting support. Where a request for technical assistance requires funding from the Santiago network, the Santiago network secretariat will launch a call for proposals, and interested members can submit proposals. Membership is open to organizations (independent legal entities), bodies (groups that are not necessarily independent legal entities), networks (interconnected groups of organizations or individuals that collaborate, share resources, or coordinate activities to achieve common goals), and experts (individuals who are recognized specialists in a specific field). The membership eligibility criteria are outlined in figure 3 and the procedure for submitting and reviewing expressions of interest in becoming members in figure 4.

**Figure 3: Membership criteria**



**Figure 4: Membership expression of interest submission and review process:**



**Rules and operational frameworks:** The main rules, regulations and guidelines for the Santiago network have been developed and approved by the Advisory Board (see annex 8) in 2024. However, the strategies and operational frameworks have not yet been developed, with the following being planned: a network strategy, a risk management framework, a MEAL framework, a fund mobilisation strategy, an outreach strategy, and a communication strategy. The network strategy is on the agenda for the Advisory Board meeting in April 2025.

## 7.1 Monitoring, review and evaluation

The Santiago network secretariat is responsible for monitoring and reporting on the overall progress. Based on the results framework, the secretariat will coordinate the monitoring of the Santiago network and the elaboration of the annual narrative reports. Monitoring will occur at the overall network and the individual technical assistance levels, using the Prince2 methodology for project management. At the technical assistance level, the monitoring framework will draw from UNOPS' extensive experience with overseeing the implementation of grant projects. It will tap into the technical expertise of the Santiago network secretariat as well as UNDRR's technical expertise and backstopping. The secretariat is developing a MEAL plan/framework, which is scheduled for presentation at the 4<sup>th</sup> Advisory Board meeting in April 2025. This will include targets, key performance indicators (KPIs) under the results framework, data collection and analysis responsibilities and methods, and evaluation processes. In addition, the MEAL framework will articulate specific targets and means to measure the impact of the Santiago network. It will further outline the feedback and accountability processes that will be applied as well as elaborate how the Santiago network and its secretariat will use the data to learn and adapt.

The interim results framework contains 14 output-level indicators. Once a final results framework has been adopted by the Santiago network, the MFA will select 4-6 key indicators for monitoring progress.

The Santiago network secretariat will commission one independent review – currently planned for 2026 – of the performance of the Santiago network.

The MFA shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project. This includes a planned mid-term review in the latter half of the second year of implementation and no later than a year prior to the ending of the project agreement, for which DKK 500,000 are retained by the MFA. It will inform the programming of a potential/tentative second phase of Danish support for the Santiago network. The mid-term review will most likely be conducted jointly with other funders and/or the Santiago network secretariat, unless the MFA finds there is reason to conduct it separately.

After the termination of the project/programme support, the MFA reserves the right to carry out evaluations in accordance with this article.

## 8 Financial Management, planning and reporting

The Danish support will be disbursed to UNOPS in two tranches, the first tranche of DKK 20 million in June 2025, and the second of DKK 19.5 million in the first quarter of 2027. The DKK 0.5 million retained by MFA for the mid-term review is anticipated to be spent in 2026 (or possibly in 2027).

Overall, the funding will not be allocated to specific activities or budget lines in the Santiago network's budget, as approved by the Advisory Board, as long as it is entirely spent on supporting countries eligible for development assistance according to OECD-DAC.

Both parties will strive for full alignment of the Danish support to the implementing partner rules and procedures, while respecting sound international principles for financial management and reporting.

Overall, the Santiago network secretariat, UNOPS, and UNDRR (in the context of UN-to-UN agreements with UNOPS on Santiago network-related funding) will adhere to all financial management-related rules and regulation of UNOPS; which have been approved by the Member States, including Denmark.

The fiduciary requirements for the Danish support are spelled out in the standard project agreement that will be signed by Denmark and UNOPS and adhere to Danish requirements. The standard project agreement adheres to the general rules, regulations and fiduciary requirement that apply for UNOPS.

The financial rules and regulations of UNOPS apply to the Santiago network. Procurement will be in accordance with UNOPS rules and regulations, as well as the rules and regulations of the parties incurring the expenses, i.e. UNDRR (when Santiago network-related funding is received through UN-to-UN agreements with UNOPS) and the respective Santiago network members, following the Santiago network's guidelines for managing funding. UNOPS has set up a separate account for the Santiago network. All funds received by UNOPS for the Santiago network are pooled in the project account. The use of funds by the Santiago network is subject to approval of the annual work plan and budget by the Advisory Board.

Reporting will be done in accordance with the provisions stipulated in the MoU between UNFCCC on behalf of the Parties, UNDRR and UNOPS and the standard project agreement signed with donors:

- Annual narrative reports issued by the Santiago network secretariat and approved by the Advisory Board – covering requests received, responses to requests, assistance provided to countries, outreach to vulnerable communities, activities carried out and their results (outcomes), ongoing work, lessons and best practice, inclusion of new members and their engagement, gender considerations.
- Annual interim financial reports showing all pooled funds contributed to UNOPS on behalf of Santiago network secretariat within six months after each fiscal year (30 June) including a financial statement of accounts for the Santiago network drawn up to the same level of detail as is done in the budget (reflecting any agreed changes made). As per pooled fund principles, Denmark will receive a report on the annual use of all Santiago network donor funding. The annual financial report will specify the Danish contribution/disbursements from the MFA.
- A final financial report showing all pooled funds contributed to UNOPS on behalf of Santiago network secretariat within six months of closure of the project (30 June 2029) including a financial statement of accounts drawn up to the same level of detail as is done in the budget (reflecting any agreed changes made). The final financial report will specify the Danish contribution/disbursements from the MFA.
- Any unspent balance after 31 December 2028, including any interests earned shall be returned to Denmark within six months and no later than 30 June 2029.

The overall reporting for the Santiago network will be submitted to Denmark. Denmark will not require separate technical reporting for the Danish support.

The Santiago network is subject to UNOPS external and internal audit procedures, as described in the standard project agreement and the MoU between UNFCCC, UNDRR, and UNOPS. This includes audit provisions for UNOPS, UNDRR, and Santiago network members.

The Santiago network is subject to UNOPS internal audit oversight as well as UNOPS' external audit procedures, as described in the standard project agreements with donor and the MoU between UNFCCC, UNDRR, and UNOPS. Should an external or internal audit report contain observations relevant to the contribution, such information shall be made explicitly available to Denmark.

## 9 Risk management

The Santiago network is fully integrated in UNOPS' project management system (see [UNOPS Operational Instruction on Risk Management](#)), which contains mechanisms for internal controls, reporting systems, and oversight activities. Risks associated with operationalising the Santiago network and coordinating the provision of technical assistance to developing countries particularly vulnerable to the impacts of climate change will be captured on an ongoing basis by the secretariat. UNOPS and UNDRR have structures in place vis-à-vis environmental and social safeguards. All activities will adhere to the safeguards of UNOPS and UNDRR and relevant UN policies. Moreover, given the Santiago network will focus on capacity development at the institutional level, the direct risk of negative and social impacts is low. A risk management framework has not yet been developed for the Santiago network but is planned to be developed as part of the development of the network's strategy. Denmark will encourage the Santiago network to develop a full risk management framework. Nonetheless, some risks and mitigating actions have been identified by the Santiago network members.

**Delivery risks:** *If financial support falls short, the Santiago network's ability to deliver effective assistance may be jeopardized.* However, for 2024-2028, the risk appears low, since signed financing agreements afford the Santiago network to operate and respond to technical assistance needs for the short and mid-term future, and once agreements are signed with other donors, the budget will be further augmented. Moreover, the Santiago network secretariat is developing a resource mobilization strategy for the mobilization of additional donors and exploring possible contributions from the private sector and philanthropies, as well as innovative financing mechanisms to complement governmental funding.

**Operational risks:** *Delays in the provision of technical assistance due to issues with operationalization of newly developed processes and procedures and delays in recruiting secretariat staff.* Considerable progress has been made in establishing rules and guidelines for the Santiago network. Building on the guidelines already approved, the secretariat will develop comprehensive procedures for the provision of technical assistance and will set clear, time-bound review timelines for membership expressions of interest and technical assistance proposals. The secretariat's Director has been recruited, and other staff positions will be filled in the near future, and UNOPS and UNDRR have as an interim measure appointed a small number of dedicated full-time staff to fulfil the responsibilities of the secretariat until the permanent secretariat staff are in place.

An unidentified risk is limited clarity *of division of labour with FRLD and overlap in technical support provided to countries.* While FRLD's role as a fund is distinct and complementary to that of the Santiago network, it is likely to also provide technical support for developing countries to ensure their readiness to receive large grants from the Fund. Since the modalities are not fully defined yet, there could both be synergy and overlap/duplication with the technical assistance provided by the Santiago network. Nonetheless, both the Santiago network and FRLD are mandated to, and expected to, coordinate more broadly with other actors, which will enhance the scope for synergy and reduce the risk of duplication. The secretariats of the FRLD and Santiago network have recently signed a Letter of Intent to enhance synergies in action.

**Fiduciary risks:** *In line with the UNOPS Policy on Grant Support, capacity assessment is critical to determine whether a member has the capacity to effectively manage funding and successfully provide technical assistance, weighing the risks for the Santiago network, as well as effectively assisting a member in pondering risks through a self-assessment.* The



secretariat/UNOPS will review such self-assessments and will select a preliminary rating for the member. The areas of assessment include governance and internal control ability to deliver according to UNOPS standards and quality expectations, financial stability, and ethical standards. The methods for fund transfer will be selected in accordance with the risk profiles of the grantees.

While not identified in the available Santiago network documentation a related risk is *a mismatch between support needs and member capacities in a new and developing field to respond to requests for support*. It is difficult to fully predict the technical support needs of developing countries, considering the novelty of specific action on loss and damage, with FRLD also being under development. Nonetheless, the member base of the network is in significant growth and is open to a broad and diverse range of actors (OBNEs). Hence, there is a good likelihood of access to a broad range of relevant expertise.

## 10 Closure

The MoU between UNFCCC, UNDRR and UNOPS establishing UNDRR and UNOPS as co-hosts for the Santiago network currently ends at the conclusion of 2028. However, as an entity established under UNFCCC, the network is anticipated to have a much longer lifespan, which will provide continuity and stability in the provision of support beyond 2028. Moreover, the capacities developed will benefit the beneficiary countries more broadly and in the longer-term, vis-à-vis addressing loss and damage. A strategy for sustainability and long-term planning has not yet been prepared but is planned to be developed as part of the development of the network's strategy.

The Danish support for the Santiago network's end on 31 December 2028. Within six months after the end of year of operational closure (2028), i.e. no later 30 June 2029 a narrative completion report will be submitted to the donors, including MFA. Moreover, within five months after the end of the year of completion of the activities, i.e. no later than 31 May 2029, a final financial report, including a financial statement, will be submitted to the donors, including Denmark.

KLIMA will prepare a final results report (FRR) within three months after receipt of the completion report.

## Annex 1: Context Analysis

### 1. Overall Development Challenges, Opportunities and Risks

Loss and damage, as a concept, has emerged in the UN climate negotiations and refers to the impacts from slow- and sudden-onset climate extremes and disasters and encompasses both economic and non-economic loss and damage. In recent years, loss and damage has gained significant momentum on the international climate agenda as the adverse effects of climate change intensify across the globe. More intense and frequent storms, sea level rise, droughts, rainfall variability, crop diseases and pests are on the rise. The pace and scale of such impacts are greater than previously assessed, with widespread, pervasive impacts to ecosystems, people, settlements, and infrastructure. This translates into increased and diverse losses and damages – loss of human lives, of biodiversity, of economic outputs and assets, of cultural heritage, and damage to human health, to property and to economic productivity. Vulnerable developing countries and developing and small island states are especially affected, linked to exposure, vulnerability and lack of ability to cope with the effects of climate change (IPCC 2022). Economic losses and damages are those affecting resources, goods and services that are commonly traded in markets, such as damage to critical infrastructure and property or supply chain disruptions. Non-economic loss and damage refers to a broad range of harmful impacts that are not so easily quantified, especially in financial terms but has major implications for societal and ecological welfare.

Even as severe impacts are increasingly tangible at 1.1°C of warming, global mean temperatures continue to climb. Emission reduction pledges remain grossly inadequate to meet the 1.5°C goal, which the IPCC characterizes as not considered “safe” for most nations, communities, ecosystems and sectors, and posing significant risks to natural and human systems (IPCC 2019). Instead, current policy scenarios put the world on track towards up to 2.7°C of warming (UNEP 2021) with potentially catastrophic consequences where no adaptation actions are possible. At the same time, while adaptation measures have been scaled up considerably, they remain inadequate and underfunded when compared with the magnitude of what is needed and insufficient in preventing all losses and damages. All while the window for adaptation action narrow as temperatures increase (IPCC 2022). Additional efforts to avert, minimise and address loss and damage are therefore crucial. In this regard, increased finance for responding to loss and damage will be necessary, particularly for assisting the most vulnerable countries and populations who are disproportionately affected, despite having contributed the least to climate change. Estimates suggest annual loss and damage costs associated with climate change will range from USD 290 to USD 580 billion by 2030<sup>8</sup> without taking into account non-economic losses and damages. These losses are most devastating in low-income settings, where an average of 189 million people per year have been affected by extreme weather-related events since 1991. The Vulnerable Group of Twenty (V20) economies are estimated to have lost 20% of their Gross Domestic Product (GDP) over the last 20 years and significantly increased their indebtedness due to the adverse impacts of climate change. Over the same period humanitarian needs have escalated, with 83% of all disasters in the 2010s attributable to climate and extreme weather events, and many appeals left seriously under-funded.<sup>9</sup>

The issue of loss and damage has been a feature of the climate negotiations since the drafting of the UN Framework Convention on Climate Change (UNFCCC) more than three decades ago. In 1991, Vanuatu, on behalf of the Alliance of Small Island States (AOSIS), proposed to set up a fund for an insurance scheme under the Convention, to provide financial compensation to developing countries impacted by sea level rise. The proposal, though, was rejected and it was only with the Bali Action Plan in 2008 that the notion of loss and damage appeared in a decision text for the first time. COP19 in 2013 saw significant progress in the negotiations on loss and damage where Parties agreed to establish the Warsaw International Mechanism for Loss and Damage (WIM) associated with climate impacts to promote the implementation of responses to the issue. An Executive Committee (WIM ExCom) was also established to guide the implementation of the functions of the WIM. Building on this, the Paris Agreement recognizes loss and damage in Article 8 and specifically frames the need for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change. However, the Paris Agreement specifically states that loss and damage “*does not involve or provide a basis for any liability or compensation*”.

#### List the key documentation and sources used for the analysis:

- Project document for FRLD (2024)
- Markandya, A., González-Eguino, M. (2019). Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage: A Critical Review.
- Getting ahead of disasters. The Charter.
- SOFF project document

#### Are additional studies/analytic work needed? How and when will it be done?

No studies needed.

### 2. Political Economy and Stakeholder Analysis

<sup>8</sup> Markandya, A., González-Eguino, M. (2019). Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage: A Critical Review.

<sup>9</sup> Getting ahead of disasters. The Charter.



The Santiago network is a global initiative, which will support the developing countries most vulnerable to the negative effects of climate change, based on requests for support. As such, the political economy context varies significantly; some countries are conflict-affected, others are institutionally and socially fragile, and yet others are stable. Similarly, government capacities and accountability vary significantly among countries, as do capacities of the private sector, and civil society.

Since the Santiago network has a very specific and mainly technical focus on providing technical assistance to countries so they can address loss and damage, it will only to a limited extent be linked to vested and economic interests and power relations. Nonetheless, the expected improved technical capacities to address loss and damage will contribute to an increased understanding of the impacts of climate change and possible actions by authorities, the private sector, civil society, academia and citizens – thereby contributing to informed decision-making at all levels vis-à-vis addressing loss and damage.

**Stakeholder analysis:** The key implementing partners in the project are briefly described in Annex 2. The main stakeholders and beneficiaries of the Santiago network are:

- Donors: Role: financing the network, Interest: enhancing the effectiveness of their investments in addressing loss and damage. Influence: high, through the participation in oversight of the Santiago network.
- Santiago network secretariat co-hosts: Role: ensuring the secretariat operates effectively and efficiently vis-à-vis delivering technical assistance to vulnerable developing countries: Influence: high, through the day-to-day management, planning and implementation of the secretariat functions.
- Santiago network members: Role: providing technical assistance to countries. Interest: enhanced engagement in the emerging field of averting, minimizing and addressing and damage. Influence: high, through the planning and execution technical assistance to countries.
- Developing country governments: Role: responsible for averting, minimizing and addressing loss and damage in their countries. Interest: improving capacity to address loss and damage, incl. mobilising funding for loss and damage action. Influence: high, through requesting technical assistance, through issuing no-objection for support requests from actors outside government, and through representation in the Advisory Board.
- Developing country academic institutions, NGOs, and civil society organizations: Role: responsible for addressing and minimising loss and damage in their countries. Interest: improving capacity to address loss and damage, incl. mobilising funding for loss and damage action. Influence: medium, and through requesting technical assistance.
- National end beneficiaries, incl. civil society, communities, citizens: Role: vulnerable to experiencing and being affected by climate-induced loss and damage. Interest: benefitting from effective actions that reduce the loss and damage experienced as well as the socio-economic impacts hereof. Influence: low-medium, mainly through participation in loss and damage actions emanating from or strengthened by the network's technical assistance as well as through the three non-voting representatives on the Advisory Board (gender, indigenous peoples, youth).

**List the key documentation and sources used for the analysis:**

- Partner documentation (see annex 8)

**Are additional studies/analytic work needed? How and when will it be done?**

No studies needed.

### 3. Fragility, Conflict and Resilience

The Santiago network targets vulnerable developing countries (incl. LDCs and SIDS), of which several are conflict-affected, and others are institutionally and socially fragile.

Migration to seek opportunities for improved livelihoods and safety is significant, and expected to be further exacerbated as climate change increasingly impacts on livelihoods, food security, and resilience. Reducing the losses and damages experienced and increasing the resilience to climate change is expected to reduce the push to migrate. With these anticipated effects, the Santiago network contributes indirectly to the implementation of the humanitarian-development-peace nexus.

**List the key documentation and sources used for the analysis:**

- Partner documentation (see annex 8)

**Are additional studies/analytic work needed? How and when will it be done?**

No studies needed.

### 4. Human Rights, Gender, Youth and applying a Human Rights Based Approach

Women, the poor, and vulnerable groups are particularly at risk to the negative effects of climate change and extreme weather. Hence, the Santiago network contributes indirectly to gender equality and leaving non-one behind, as the technical assistance provided to countries is expected to lead to actions that address and minimise the losses and damages experienced and increased climate resilience.

The Santiago network's Advisory Board will include one representative from the women and gender constituency, one representative from indigenous peoples' organizations, and one representative from children and youth NGOs, who may actively participate in the deliberations of the Advisory Board (non-voting representatives).

UNDRR and UNOPS embrace a human rights-based and gender-sensitive and have social safeguards in place. Similarly, at least some of the network members (e.g. UN agencies and NGOs) will have their own safeguards in place.

**List the key documentation and sources used for the analysis:**

- Partner documentation (see annex 8)
- Santiago network website

**Are additional studies/analytic work needed? How and when will it be done?**

No studies needed.

**5. Inclusive sustainable growth, climate change and environment**

The Santiago network is focused on climate action. Since the Santiago network's direct investments are exclusively related to technical assistance and capacity development and since the loss and damage agenda also considers loss of non-financial assets (incl. biodiversity), the risk of negative effects on inclusive sustainable growth and environmental degradation is low. Hence, environmental impact assessments are not foreseen to be required. UNOPS and UNDRR have policies and procedures in place vis-à-vis environmental safeguards, and many network members will have their own safeguards in place.

As described above, the Santiago network contributes to gender equality and leaving non-one behind, since women and vulnerable groups are particularly susceptible to the impacts of climate change, and vulnerable groups are represented on the Advisory Board (non-voting members).

**List the key documentation and sources used for the analysis:**

- Partner documentation (see annex 8)

**Are additional studies/analytic work needed? How and when will it be done?**

No studies needed.

**6. Capacity of public sector, public financial management and corruption**

The Santiago network will benefit from the financial management and fiduciary standards and capacities of UNOPS and UNDRR. UNOPS has as part of its recent institutional reform process significantly strengthened its financial management and fiduciary standards (see Annex 2).

**List the key documentation and sources used for the analysis:**

- Partner documentation (see annex 8)
- UNOPS website

**Are additional studies/analytic work needed? How and when will it be done?**

No studies needed.

**7. Matching with Danish strengths and interests, engaging Danish actors and seeking synergies**

The table below provides an overview of ongoing key initiatives related to loss and damage (non-exhaustive).

Project	Partner	Countries	Loss and damage element	Synergy potential	Duplication risk
Fund for responding to Loss and Damage (FRLD)	The World Bank	Global	Provides funding for developing countries to address and minimize loss and damage.	Technical assistance from the Santiago network can enable developing countries to access to grants and implement projects.	Medium. Risk of overlap in the technical assistance for grant preparation.
Global Shield against Climate Risks – Global Shield Solutions Platform	Frankfurt School of Finance and Management	Global	Strengthens the financial protection and resilience of vulnerable countries and people.	Potential for joint or coordinated activities at the country level.	None.
Artificial Intelligence, Anticipatory Action	WFP	East Africa	AI generated forecasts to activate anticipatory action	Santiago network support can help countries use the forecasts for planning	None.

& Climate Risk Financing			and forecast index insurance.	loss and damage action, relevant to food security impacted by climate change. WFP is Santiago network member.	
Call for loss and damage responses	Danish NGOs	Africa	Funds civil society action that addresses loss and damage.	Some NGOs may become Santiago network members.	Low.
Early Warnings for All (EW4All)	WMO	5 African LDCs	Production, analysis, interpretation and use of climate and risk information to strengthen early warning systems.	Santiago network support can help countries use information for planning loss and damage action.	None.
Systematic Observations Financing Facility (SOFF)	WMO, UNEP, UNDP	Global	Boosts the collection and international exchange of basic observational weather and climate data.	Santiago network support can help countries use information for planning loss and damage action.	None.
- Identify areas/sectors where we have the most at stake – interests and values.			Addressing and minimizing loss and damage is a key Danish priority – the Santiago network will increase the capacity in developing countries to effectively plan and implement loss and damage action.		
- Identify where we can have influence through strategic use of positions of strengths, expertise and experiences.			Denmark can influence the Santiago network through coordination with likeminded donors and dialogue with the network secretariat. Denmark can also influence the overall direction through UNFCCC, COPs and WIM.		
- Identify where Denmark can play a role through active partnerships for a common aim/agenda or where is there a need for Denmark to take lead in pushing an agenda forward.			The EU and EU Member States figure prominently among the Santiago network donors – there is thus scope for promoting shared European priorities in the Santiago network’s Advisory Board and WIM ExCom.		
- Mapping of Danish foreign policy engagement, commercial engagement, trade relations and investment, Danish local and central authorities, civil society organizations, IFU and academia. Identify concrete opportunities for synergies.			Danish actors, e.g. NGOs, could become networks members and provide technical assistance to developing countries.		
- Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU.			EU Member States figure prominently among the Santiago network donors – there is thus scope for promoting shared European priorities in the Santiago network’s Advisory Board and WIM ExCom. The Santiago network is a UN initiative, hosted by UN agencies.		
<b>List the key documentation and sources used for the analysis:</b>					
- MFA OpenAid website					
- MFA project documents					
- Partner documentation (see annex 8)					
<b>Are additional studies/analytic work needed? How and when will it be done?</b>					
No studies needed.					

## Annex 2: Partner Assessment

### **1. Brief presentation of partners**

**UNOPS** is a UN agency specialized in the provision of infrastructure, procurement and project management services. It is a co-host of the Santiago network secretariat, responsible for providing administrative and financial management support, including staff recruitment and procurement, and will be the pooled fund manager. UNOPS is recipient of donor grants for the network and the Danish grant will be channelled through the UNOPS.

**UNDRR** is the UN lead agency on disaster risk reduction supporting the implementation of the Sendai Framework for Disaster Risk Reduction. It is a co-host of the Santiago network secretariat, responsible for technical support and backstopping for the network and secretariat.

**Network members:** The delivery of technical assistance to vulnerable developing countries will be provided by the members of the Santiago network, which is intended to comprise organizations (UN and non-UN), bodies, networks, and experts. The member base currently comprises 30 members, i.e. 16 organizations (four UN and 12 non-UN), two networks, and 12 experts, the network's website contains updated information on the member base (<https://santiago-network.org/about/members>). An additional nine applicants have been recommended for approval by the Advisory Board.

### **2. Summary of partner capacity assessment**

#### **UNOPS**

UNOPS implements numerous projects on the ground, including in fragile and conflict-affected settings. It has well-established structures and procedures for project management and implementation and UNOPS procedures are generally considered leaner than those of other UN agencies. Other UN agencies engage UNOPS for procurement, project management, and oversight. UNOPS has regional offices as well as project teams in several countries. UNOPS is headquartered in Copenhagen and has been a major implementing partner of Danish multilateral development cooperation. Denmark has made a total of 31 voluntary contributions to UNOPS since 2013, thus being a well-known and tested partner, which has proven its ability as a project implementer. Danish voluntary contributions to UNOPS include projects on risk management (Somalia), and food security and livelihoods recovery from, and resilience to, variable shocks and stressors (Myanmar).

UNOPS underwent a comprehensive structural reform (e.g. of internal financial controls, risk management, independent supervision, ethical standards) as well as senior level staff changes in 2022-2024, following misappropriation of funds and serious organizational management failures in relation to the Sustainable Investments in Infrastructure and Innovation (S3i) initiative. Danish funding for UNOPS was not affected. Denmark followed closely and supported proactively the reform process as a member of the UNOPS Executive Board and increased the supervision of Danish support for UNOPS in 2022-2024. There has been good progress on its implementation with 80 pct. of the reform action plan completed in early 2024. The confidence in UNOPS' management processes has been restored and supervision of Danish support was normalized in March 2024.

#### **UNDRR**

UNDRR has well-established technical and normative expertise in disaster risk reduction, including climate change adaptation and loss and damage aspects. It supports countries in relation to disaster risk reduction policy-making, planning, capacity development, and monitoring, including data on loss and damage. UNDRR has regional offices, but no country offices.

Denmark's contribution to UNDRR has so far primarily been member state core contributions to the United Nations Secretariat, albeit one voluntary contribution was provided for the agency's 2010-2011 Biennial Workplan.

#### **Network members**

A broad and diverse network member base is deliberately sought, engaging a range of *organizations, bodies, networks and experts* with the technical knowledge to provide quality assistance to developing countries vis-à-vis addressing loss and damage. Membership is open not only to UN agencies, but also to other types of organizations with relevant expertise, including civil society organizations and research and academic organizations, as well as individual experts. Indeed, its current member base comprises a mix of UN agencies, civil society organizations, research institutions, networks, as well as individual experts, and includes members from both the global North and the global South. Members are selected based on application and an assessment of their technical expertise and capacity, following the ‘*Guidelines for the designation of organizations, bodies, networks and experts as members of the Santiago network*’. The member base currently comprises 22 members, i.e. 11 organizations (four UN and seven non-UN), two networks, and nine experts, the network’s website contains updated information on the member base (<https://santiago-network.org/about/members>).

### 3. Summary of key partner features

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
UNOPS	A UN agency specialized in the provision of infrastructure, procurement and project management services.	High	High	Santiago network secretariat co-host. Responsible for providing administrative and financial management support, incl. staff recruitment, procurement. Recipient of donor grants for the network.	UNOPS implements numerous projects on the ground, including in fragile and conflict-affected settings. Well-established structures and procedures for project management and implementation. UNOPS procedures are generally considered leaner than those of other UN agencies. Other UN agencies engage UNOPS for procurement, project management, and oversight. UNOPS has its HQ in Copenhagen and has implemented several projects with Danish support. UNOPS has in 2022-2024 successfully implemented a comprehensive structural reform to address serious organizational management failures. UNOPS has regional offices as well as project teams in several countries.	No exit strategy required. The Santiago network is an established structure of UNFCCC and WIM and thus envisaged to run for an extended period, well beyond the end of the project.
UNDRR	UN lead agency on disaster risk reduction (DRR) supporting the implementation of the Sendai Framework for Disaster Risk Reduction	High	High	Santiago network secretariat co-host. Responsible for technical support and backstopping for the network and secretariat.	Well-established technical and normative expertise in DRR, incl. climate change adaptation and loss and damage aspects. Supports countries in relation to DRR and adaptation policy-making, planning, and capacity development, monitoring and data on loss and damage. UNDRR has regional offices, but no country offices.	No exit strategy required. The Santiago network is an established structure of UNFCCC and WIM and thus envisaged to run for an extended period, well beyond the end of the project.

## Annex 3: Santiago Network Responsiveness to OECD-DAC Quality Criteria

OECD-DAC has defined six quality criteria, which serve as the reference framework for evaluating international cooperation interventions. They are also a useful framework for the justification of the project.

**Relevance:** The project addresses SDG 13 (Climate Action). Being a mechanism established under article 8 of the Paris Agreement, the Santiago network contributes directly to the delivery of the globally agreed loss and damage commitments under UNFCCC. It also contributes to SDG 1 (No Poverty) SDG 2 (Zero Hunger) by addressing losses and damages experienced by poor and vulnerable people in developing countries. Moreover, the Santiago network brings together different actors to ensure a more effective response to loss and damage, thereby also contributing to SDG 17 (Partnerships for the Goals).

**Internal and external coherence:** The Santiago network is fully integrated in the UN system. It is poised to bring together many of the key actors with experience in the area of loss and damage both within and outside the UN, some of which Denmark is also supporting. It is thus anticipated to contribute to enhanced coordination and synergy. The secretariats of the FRLD and Santiago network have recently signed a Letter of Intent to enhance synergies in action.

**Effectiveness:** The Santiago network is still under development but has an explicit focus on strengthening national capacities to effectively respond to, and reduce, loss and damage.

**Efficiency:** The Santiago network draws upon the well-established project management and operational expertise and delivery structures of UNOPS as well as the thematic expertise of UNDRR. Moreover, the Santiago network mobilizes the skills and capacities of broad member base of international expertise including organizations, more informal structures (bodies and networks), and individual experts.

**Impact:** The Santiago network aims at contributing to and catalysing largescale action on loss and damage. This will be done through technical support and capacity development, which is expected to a) make developing countries more able to respond to and reduce loss and damage, and b) contribute to unlocking access to financing for action to address loss and damage.

**Sustainability:** The Santiago network's current phase is envisaged to run till end 2028, but as an entity established under UNFCCC, the Network is anticipated to have a much longer lifespan. Moreover, the capacities developed will benefit the beneficiary countries more broadly and in the longer-term, vis-à-vis addressing loss and damage.



## Annex 4: Assessment of Santiago Network According to Danida AMG Standard Questions

The project is briefly summarized below using the eight standard questions in the Danida Guidelines.

**1) Political, economic, societal and institutional context:** The impacts of climate change are now visible everywhere, and it is clear that loss and damage cannot be avoided. The number of weather-related disasters has increased fivefold over the past five decades and economic losses have increased sevenfold with average daily losses of USD 383 million (WMO Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes, 1970–2019). Developing countries, in particular LDCs and SIDS, are disproportionately affected by the impacts of climate change, with poor and vulnerable segments of the population in developing countries being particularly vulnerable to the impacts of climate with little economic capacity to compensate for the loss of income and assets due to extreme weather.

**2) The development problem or issue and the desired transformation:** Developing countries have long expressed a demand for compensation for the losses and damage they experience due to the impacts of climate change, to minimise the negative economic, social, and environmental that affects their communities. A new Fund for responding to Loss and Damage (FRLD) has been established under UNFCCC. However, the most vulnerable developing countries do not have sufficient capacity to effectively implement action to address loss and damage.

**3) The main changes that will need to take place for the transformation to happen:** The overall purpose of the Santiago network is to “*to catalyse the technical assistance of relevant organizations, bodies, networks and experts, for the implementation of relevant approaches at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change*”. The expected high-level outcome for vulnerable developing countries is *enhanced multi-dimensional capacity in developing countries, including knowledge and information, technology and access to finance to avert, minimize and address loss and damage*. To this end, the Santiago network is expected to “*facilitate access to action and support from a variety of sources to meet technical assistance needs in developing countries particularly vulnerable to the adverse effects of climate change*”, thereby helping developing countries to obtain sufficient capacity to effectively address and reduce the loss and damage experienced.

**4) The most important drivers/champions of change:** The Santiago network is a demand-driven mechanism, where vulnerable developing countries and communities themselves articulate their technical assistance needs. A broad and diverse network member base is deliberately sought, engaging a range of *organizations, bodies, networks and experts* with the technical knowledge to provide quality assistance to developing countries vis-à-vis addressing loss and damage. Membership is open not only to UN agencies, but also to other types of organizations with relevant expertise, including civil society organizations and research and academic organizations, as well as individual experts. Similarly, requests for technical assistance may come from governments (national and sub-national), academia, NGOs, and civil society organizations.

**5) Modalities and instruments Denmark will use to contribute to the change:** The Santiago network will mobilize technical assistance for institutional and human capacity development. Denmark will provide core funding for the network. Moreover, Denmark will seek to influence the Santiago network through coordination with likeminded donors.

**6) The main conditions in place for the change to happen:** With loss and damage being recognized under UNFCCC, the Paris Agreement and WIM as an important area of climate action, and in particular with the establishment of FRLD, the conditions are now in place for engaging in addressing and minimizing the losses and damages caused by climate change. This increased momentum also creates an increased demand for technical assistance from vulnerable developing countries to engage in addressing loss and damage and to benefit from the new opportunities for loss and damage financing (incl. FRLD).

**7) The main assumptions that will need to hold true for the change to happen:** The interim results framework for the Santiago network do not specify any assumptions. A preliminary set of assumptions is presented below:

1. Donors are mobilized to provide sufficient funding for the Santiago network to become an effective facilitator of technical assistance to developing countries
2. There is a high demand for technical assistance from the Santiago network
3. The Santiago network will be able to mobilize a member base of sufficient and sufficiently diverse technical expertise to meet various and context-specific demands from vulnerable countries and communities
4. Technical assistance for countries can be deployed in a timely and rapid manner by the Santiago network and its members

**8) The main risk factors that may prevent, delay or limit the changes from taking place:** The overall risks to the project have been identified preliminarily by the Santiago network Secretariat:

- If financial support falls short, the Santiago network's ability to deliver effective assistance may be jeopardized.
- Delays in the provision of technical assistance due to issues with operationalization of newly developed processes and procedures and delays in recruiting secretariat staff.
- In line with the UNOPS Policy on Grant Support, capacity assessment is critical to determine whether a member has the capacity to effectively manage funding and successfully provide technical assistance, weighing the risks for the Santiago network, as well as effectively assisting a member in pondering risks through a self-assessment.

Moreover, two additional risks not identified by the secretariat are:

- A mismatch between support needs and member capacities in a new and developing field to respond to requests for support.
- Unclear division of labour with FRLD and overlap in technical support provided to countries.

## Annex 5: How-to notes – key elements covered

How-to notes		Santiago network
1: Fighting poverty and inequality	Multi-dimensional poverty concept – access to resources in a wider sense	- Contributes to protecting vulnerable people from losing resources and assets due to the negative effects of climate change.
	Opportunities and choices LNOB Reducing inequality	- Targets the countries and people most vulnerable to the negative effects of climate change. - Women, indigenous peoples, and youth are represented in the Advisory Board (non-voting).
	Voice and influence HRBA	- Women, indigenous peoples, and youth are represented in the Advisory Board (non-voting).
	Short-term and long-term perspective	- Addresses both existing and projected losses and damages. - Contributes to enhanced climate resilience.
	Structural causes of poverty and inequality	- Contributes to building institutional capacities to address and minimize loss and damage for the most vulnerable.
3: Climate adaptation, nature and environment	Strategic focus	- Climate action is a primary objective of the Santiago network, which is a UNFCCC and WIM mechanism. - Addressing loss and damage is a priority for Denmark. - Targets the countries and people most vulnerable to the negative effects of climate change.
	Water resource management Access to clean water	- Loss and damage are closely related to water (often caused by drought, floods, disruption to rainfall patterns) and the management of water resources
	Nature and biodiversity	- Non-financial loss and damage will be addressed, incl. to ecosystems and biodiversity.
	Food systems and climate-smart agriculture	- Contributes to reduced loss and damage to livelihoods from droughts and floods.
4: Migration	Effects of climate change on migration	- Reducing loss and damage to livelihood assets may reduce the push to migrate.
5: Peace-building and stabilisation	Effects of climate change on security	- Addressing and reducing loss and damage may lessen the risk of local conflicts over resources, e.g. water.
7: Human rights and democracy	Rights and dignity of marginalised groups	- Indigenous peoples' organizations in developing countries can request technical assistance. - Indigenous peoples' organizations with relevant technical expertise can become network members. - Indigenous peoples' organizations are represented in Advisory Board (non-voting).
	Gender equality, girls' and women's rights	- Gender organizations in developing countries can request technical assistance. - Gender organizations with relevant technical expertise can become network members. - Gender constituency is represented in Advisory Board (non-voting).
	Meaningful participation of young people	- Youth organizations in developing countries can request technical assistance. - Youth organizations with relevant technical expertise can become network members. - Youth organizations is represented in Advisory Board (non-voting).
8: Danish support for civil society	Climate and green solutions	- Civil society organizations in developing countries can request technical assistance. - Qualified civil society organizations are eligible to become network members – some of the current members are NGOs, incl. South NGOs.

	Girls' and women's rights	<ul style="list-style-type: none"> <li>- Women and youth organizations in developing countries can request technical assistance.</li> <li>- Women and youth organizations with relevant technical expertise can become network members.</li> <li>- Gender constituency is represented in Advisory Board (non-voting).</li> </ul>
	Meaningful participation of children and young people.	<ul style="list-style-type: none"> <li>- Youth organizations in developing countries can request technical assistance.</li> <li>- Youth organizations with relevant technical expertise can become network members (non-voting).</li> <li>- Youth organizations is represented in Advisory Board (non-voting).</li> </ul>

## Annex 6: Interim Results Framework

Project		Santiago network	
Objective 1		Enable timely and targeted responses to demand-driven requests for technical assistance relevant to averting, minimizing, and addressing loss and damage at the local, national and regional levels in developing countries particularly vulnerable to the adverse effects of climate change.	
Objective 2		Facilitate strong and diverse network membership, with expertise relevant to approaches to avert, minimize, and address loss and damage at the local, national and regional levels.	
Objective 2		Facilitate access to action and support from a variety of sources to meet technical assistance needs in developing countries particularly vulnerable to the adverse effects of climate change.	
Outcome 1		Enhanced multi-dimensional capacity in developing countries, including knowledge and information, technology and access to finance to avert, minimize and address loss and damage.	
Output 1.1		Technical assistance needs and priorities in developing countries identified, prioritized and communicated	
Output indicator 1.1.A		Number of technical assistance requests received, including from LDCs and SIDS (geographically disaggregated)	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 1.1.B		Number of people a) directly and b) indirectly benefiting from technical assistance, gender disaggregated	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output 1.2		Demand-driven technical assistance in developing countries facilitated by connecting those seeking technical assistance with the best suited OBNEs	
Output indicator 1.2.A		Types of technical assistance requests a) received and b) catalysed and delivered through the network, both i) with financial support from Santiago network and ii) without financial support from the Santiago network	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 1.2.B		Number of local, national and/or regional systems enabled (laws, policies, institutions)	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 1.2.C		Effectiveness of technical assistance delivered (as assessed in post-activity evaluation)	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output 1.3		Knowledge and information on averting, minimizing and addressing loss and damage developed for, provided and disseminated in developing countries	
Output indicator 1.3.A		Use of knowledge and information products produced and disseminated by the Santiago network (taking account of WIM ExCom products)	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Outcome 2		Strengthened collaboration and coordination, coherence and synergy among network members, across communities of practice, to deliver effective and efficient technical assistance in developing countries.	

Output 2.1		Outreach to diverse OBNEs working at all levels (local, national, regional and international) conducted to build the network of members of the Santiago network	
Output indicator 2.1.A		Number of OBNEs joining the network as members	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 2.1.B		Diversity of members, disaggregated by region, type and expertise	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output 2.2		Active engagement of members to catalyse technical assistance facilitated.	
Output indicator 2.2.A		Number of proposals received from members in response to technical assistance requests	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output 2.3		Collaboration, coordination, coherence and synergy among network members demonstrated	
Output indicator 2.3.A		Number of technical assistance activities implemented through Santiago network involving more than one member	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Outcome 3		Facilitated access to action and support to deliver effective and efficient technical assistance in developing countries particularly vulnerable to the adverse impacts of climate change.	
Output 3.1		Scaled up human, technological and financial resources for technical assistance and high quality, effective and efficient operational performance of the Santiago network	
Output indicator 3.1.A		Average time taken to designate OBNEs as members of the Santiago network	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 3.1.B		Average time taken to process requests for technical assistance	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 3.1.c		Value of financial and other resources a) directly provided annually for Santiago network operations and b) percentage directed to communities particularly vulnerable to the adverse effects of climate change	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output indicator 3.1.d		Value of annual financial support provided through technical assistance catalysed a) with financial support from the Santiago network, and b) with funding from other sources	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Output 3.2		Effective alignment of the Santiago network with relevant bodies and mechanisms in keeping with decisions of Parties and the Advisory Board	
Output indicator 3.2.A		Number of technical assistance requests received that are aligned with supporting programmatic approaches and capacity building efforts of FRLD and other funding arrangements	
Baseline	2025	tbd	tbd
Target	2028	tbd	tbd
Note: Baselines and targets to be provided in the final results framework, which will be elaborated once the network strategy is development. A draft strategy is scheduled for presentation to the Advisory Board in April 2025.			

## Annex 7: Budget and Indicative Forecast Details

Estimated total budget 2024-2028								
Budget item <sup>5</sup>	2024 <sup>1</sup>	2025 <sup>1</sup>	2026 <sup>2</sup>	2027 <sup>2</sup>	2028 <sup>2</sup>	2024-2028 <sup>3</sup>		
	USD	USD	USD	USD	USD	USD	DKK <sup>4</sup>	Percent
Technical Assistance <sup>6</sup>	500,000	5,150,000	6,180,000	7,416,000	8,899,200	28,145,200	202,926,892	58.0%
Personnel <sup>7</sup>	947,681	2,200,106	2,918,858	2,976,236	3,034,760	12,077,642	87,079,799	24.9%
Office Management <sup>8</sup>	-	20,000	20,400	20,808	21,224	82,432	594,335	0.2%
Event Management and Travel <sup>9</sup>	370,000	805,000	684,500	698,190	712,154	3,269,844	23,575,575	6.7%
Programme and Knowledge Management <sup>10</sup>	135,000	335,000	290,700	366,514	377,444	1,504,658	10,848,584	3.1%
Shared Support Costs <sup>11</sup>	90,340	81,340	82,967	84,626	86,319	425,592	3,068,518	0.9%
Technical Support Costs – UNDRR <sup>12</sup>	-	97,650	99,603	101,595	103,627	402,475	2,901,845	0.8%
Contingency	68,491	100,000	102,000	104,040	106,121	480,652	3,465,501	1.0%
Management fee – UNOPS <sup>13</sup>	76,972	341,023	424,316	482,185	547,735	1,872,231	13,498,786	3.9%
Programme Support Cost – UNDRR <sup>14</sup>	46,150	99,125	26,000	26,520	27,050	224,845	1,621,132	0.5%
<b>Total USD</b>	<b>2,234,634</b>	<b>9,229,244</b>	<b>10,829,344</b>	<b>12,276,714</b>	<b>13,915,635</b>	<b>48,485,571</b>		<b>100.0%</b>
<b>Total DKK (est.)</b>	<b>16,111,711</b>	<b>66,542,849</b>	<b>78,079,570</b>	<b>88,515,108</b>	<b>100,331,728</b>		<b>349,580,967</b>	


### Notes:

1. Approved annual budgets: The forecast includes the [revised 2024 budget](#) and [2025 budget](#) approved by the Advisory Board in September 2024.
2. Annual budgets: This forecast is indicative and each year the Santiago network secretariat will prepare an annual budget for approval by the Advisory Board.
3. Period: The forecast covers the period 2024-2028, which is aligned with the duration of the MoU signed by UNOPS/UNDRR and UNFCCC.
4. UN Operational Rate of Exchange applied, 14 February 2025: USD 1.00 = DKK 7.21 (<https://treasury.un.org/operationalrates/OperationalRates.php>).
5. For the majority of other budget lines, 2026-2028 calculated on the basis of 2% annual increment on 2025 annual budget, unless adjustments are needed (e.g. strategy, evaluation).
6. Technical assistance: 2026-2028 calculated on the basis of 20% annual increment on 2025 annual budget. The budget line includes a provision for preparatory budgets to help with technical assistance requests and proposals.
7. Personnel: 7 network secretariat staff + envisaged regional positions. 2026-2028 calculated on the basis of 2% annual increment on 2025 annual budget and that 2 Regional positions will start in July 2025 and 2 will start in Jan 2026. This is under discussion with the Advisory Board.
8. Office management: Swiss Government funds office and equipment costs for the head office (Geneva); non-head office costs are subject to actual duty station of regional positions (start-up, rent, furniture, security installations, equipment) – significant fluctuations apply, depending on final decision.
9. Event management and travel: Secretariat and co-host missions, LDC and SIDS workshops, other workshops, outreach and other climate-related events, and SNAB



- meetings
10. Programme and knowledge management: knowledge products for promoting and dissemination of information on the network incl. translation costs, dissemination costs, Santiago network strategy development (consultants, workshops), website, audits.
  11. UNOPS shared support costs: Shared (amongst other UNOPS initiatives) direct support towards functions such as HR, procurement, finance and administration incl. travel, which is recovered by UNOPS on a cost-share basis in the absence of dedicated roles within the Secretariat. Applicable on the overall budget towards UNOPS' indirect costs, such as its corporate and policy setting functions.
  12. UNDRR Technical Support Costs: Covers the costs of UNDRR providing technical backstopping, expertise, and support to the secretariat/Advisory Board.
  13. UNOPS Management fees: 1% for funds passed on to UN agencies and at 4.18% for all other budget lines. It is calculated individually for every project and is based on the complexity, the economies of scale and the level of risk of the effort.
  14. UNDRR Programme Support Costs (PSC): UNDRR applies a standard UN PSC of 13% on UNDRR-led expenses, such as Technical Advisor, UNDRR travel, LDC and SIDS workshops, knowledge products/annual reports, and UNDRR technical support costs. This is under the assumption that these activities are running through UNDRR's books in their entirety.

#### Donor mobilization

Donor	Pledged		Signed		Received by UNOPS	
	Orig. Currency	USD (est.)	Orig. Currency	USD (est.)	Orig. Currency	USD
European Union	EUR 3m	3,162,600	EUR 3m	3,162,600	EUR 2.4m	2,677,914
Germany	EUR 10m	11,157,975	EUR 10m	11,157,975	EUR 2m	2,231,595
Ireland (DFA)	EUR 1m	1,115,797	EUR 1m	1,115,797	EUR 1m	1,115,797
Ireland (DECC)	EUR 4m	4,463,190	EUR 4m	4,463,190	EUR 275k	306,844
Luxembourg	EUR 5m	5,578,987	EUR 5m	5,578,987	EUR 2m	2,231,595
Spain	USD 5.3m	5,302,227	USD 5.3m	5,302,227	USD 5.3m	5,302,227
Austria	EUR 5m	5,578,987	EUR 5m	5,578,987	EUR 2m	2,231,595
Switzerland	CHF 2m	2,361,275	CHF 2m	2,361,275	EUR 500k	590,319
United Kingdom	GBP 5m	6,587,615	-	-	-	-
United States of America	USD 1.9m	1,900,000	USD 1.9m	1,900,000	USD 1.9m	1,900,000
<b>Denmark*</b> 	DKK 40m	5,547,850	-	-	-	-
- Transfer to Santiago network*	<i>DKK 39.5m</i>	<i>5,478,502</i>	-	-	-	-
- MTR, retained by MFA*	<i>DKK 500k</i>	<i>69,348</i>	-	-	-	-
<b>Total USD (less Danish MTR)</b>	-	<b>52,687,155</b>	-	<b>40,621,039</b>	-	<b>18,587,886</b>
<b>Total DKK (less Danish MTR)*</b>	<b>379,874,388</b>	-	<b>292,877,691</b>	-	<b>134,018,658</b>	-
Budget USD	-	48,485,571	-	48,485,571	-	48,485,571

Remaining gap USD	-	-4,201,585	-	-7,864,532	-	-29,897,685
*UN Operational Rate of Exchange applied, 14 February 2025: USD 1.00 = DKK 7.21 ( <a href="https://treasury.un.org/operationalrates/OperationalRates.php">https://treasury.un.org/operationalrates/OperationalRates.php</a> )						

## Annex 8: List of Supplementary Materials

#	Document / Material	Source
1	Project agreement template	UNOPS
2	Terms of reference of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change	UNFCCC
3	Memorandum of understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, on the one hand, and the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services, on the other, regarding the hosting of the Santiago network secretariat	UNFCCC
4	Guidelines for managing funding	Santiago network
5	Guidelines for the designation of organizations, bodies, networks and experts as members of the Santiago network	Santiago network
6	Guidelines and procedures for responding to requests for technical assistance	Santiago network
7	Guidelines on preventing potential and addressing actual and perceived conflicts of interest in relation to the Santiago network	Santiago network
8	Rules of procedure of the Advisory Board of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change	Santiago network
9	Santiago network interim results framework	Santiago network
10	Santiago network work programme'. Once the 'Santiago network Strategy'	Santiago network

## Annex 9: Process Action Plan

Action/product	Deadline	Responsible/involved Person and unit	Comments
Desk assessments and kick-off meeting	6-17 January 2025	Consultant	
Writing of project document and follow up dialogue with Santiago network Secretariat UNOPS/UNDRR and Network Members	6 January – 14 February 2025	Consultant (supported by Santiago network Secretariat)	
Submit draft project document to KLIMA and Santiago network secretariat	14 February 2025	Consultant	
Santiago network secretariat review and feedback	18 February 2025	Santiago network Secretariat	
Submit reviewed draft project document to KLIMA and Santiago network secretariat	20 February 2025	Consultant	
KLIMA management review and feedback	24 February 2025	KLIMA	
Address comments from KLIMA management	26 February 2025	Consultant	
Submission of document to Programme Committee	27 February 2025	KLIMA	
Presentation to Programme Committee	11 March 2025	KLIMA	
Address comments from Programme Committee	11-18 March 2025	Consultant	
Appraisal	19 March – 31 March 2025	LEARNING	
Address comments and submit final programme document to KLIMA	11 April 2025	Consultant	
End of contract	30 April 2025		
Submission through the “Bevillingssekretariat” in LEARNING to the Under-Secretary for Development Policy	30 April 2025	KLIMA	
Endorsement by the Under-Secretary for Development Policy	16 May 2025	KLIMA	
Minister’s endorsement	30 May 2025	KLIMA	
Publication on Danish Transparency website	6 June 2025	KLIMA	