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Santiago network resource mobilization strategy 2026-2028

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Annex I: Santiago network resource mobilization strategy 2026-2028

1. Purpose and scope

1. The purpose of the Santiago network resource mobilization strategy is to create ongoing, predictable, adequate and sustainable funding streams for the Santiago network to deliver on its mission, vision and value proposition of connecting developing countries and communities with the timely, demand-driven and tailored technical assistance, knowledge and support they need to drive needs-based action on loss and damage.

2. The strategy sets out the objectives and principles guiding resource mobilization efforts to support the delivery of Santiago Network's mission, vision, and strategic priorities for 2026-2028, in line with the timeframe of the draft Santiago network strategy. It also presents a resource mobilization framework covering the following areas:

   a. Approach to resource mobilization and funding goals

   b. Funding sources and contributor outreach

   c. Terms of contributions

   d. Monitoring, risk management, and sustainability

2. Objectives

3. The objectives of the Santiago network resource mobilization strategy are to secure sustainable and diversified resources, foster trust and partnerships, and align funding with the network's phase of scaling, delivery and rapid learning. Specifically:

   a. **Secure adequate and sustainable resources:** ensure the Santiago network has sustainable, reliable, and sufficient financial resources to deliver on its mission, vision and strategic priorities.

   b. **Diversify funding sources:** mobilize resources with a focus on developed country parties and exploring other potential sources of funding including Parties, multilateral funds, bilateral donors, the private sector, and innovative finance sources.

   c. **Promote transparency and accountability:** establish clear management, reporting and monitoring mechanisms to build trust among contributors and stakeholders, and demonstrate the effective use of resources.

   d. **Phased approach to scaling:** align resource mobilization with the network's scaling trajectory, ensuring resources are matched to evolving needs, increasing demand, and progressive expansion of activities.

e. **Promote predictable resource planning:** ensure resource mobilization modalities and contributions management arrangements allow for predictable resource planning for technical assistance and operations.

3. Principles

4. The Santiago network resource mobilization strategy is guided by core principles that provide a foundation for achieving the above objectives. These principles ensure resources are secured and deployed effectively, while reinforcing trust, accountability, and alignment with strategic priorities:

a. **Alignment with strategic priorities:** resource mobilization efforts will be guided by the Santiago network strategy, ensuring that funding supports the network's mission, vision, value proposition, and strategic priorities;

b. **Complementarity**: Building a value proposition for resource mobilization based on the Santiago network's unique comparative advantages and complementary role in the loss and damage ecosystem, as articulated in its strategy;

c. **Sustainability and diversification of funding sources:** Resources are mobilized from a broad spectrum of sources, including public, private, multilateral, and innovative sources, to provide stable, long-term support for ongoing and planned activities.

d. **Demand-driven approach:** resource mobilization efforts will be guided by the needs and priorities of developing countries and communities, as well as projected levels of demand.

e. **Transparency and accountability:** All resource mobilization efforts will adhere to high standards of transparency, reporting, and accountability.

f. **Adaptability and learning:** Resource mobilization strategies will be flexible, allowing adjustments based on lessons learned, evolving needs, and emerging funding opportunities;

4. Approach to resource mobilization and funding goals

4.1. Resource mobilization approach

5. The Santiago network is characterized by its demand-driven approach to technical assistance. Accordingly, a key principle of this strategy is that resource mobilization should respond to the needs and demand from developing countries, while supporting their capacity to translate identified needs into actionable requests for assistance.

6. As set out in the draft Santiago network strategy for 2026-2028, since 2019 the Santiago network has taken critical steps to become fully operational, and is now set to enter a phase of scaling, delivery and learning. Taking account of Santiago network's current

funding position, and the importance of work to better understand needs, barriers to access and demand for technical assistance, the draft resource mobilization strategy embeds a phased approach for 2026-2028:

a. An immediate focus on establishing Santiago network's resource mobilization approach, identifying a range of funding sources, settling arrangements related to contributions, and contributor engagement, including to realize current pledges and engage contributors in operational progress and results;

b. Establishing a clear path for longer-term resource mobilization, including setting funding targets based on demand-driven resourcing scenarios, launching fundraising campaigns, examining possibilities for broadening resource channels including through institutional partnerships and other finance sources such as the private sector and innovative finance instruments, and embedding arrangements for regular contributor engagement.

7. In line with the proposed phased approach, identifying fit-for-purpose modalities for resource mobilization will enable the Santiago network to actively mobilize resources, drawing on operational experience and the evolving knowledge of needs, barriers, opportunities, and demand generated by the network. Options for Advisory Board consideration are.

a. Align consolidated resource mobilization efforts with pre-determined cycles to enhance visibility and planning for potential contributors, e.g., 3- to 5-year periods;

b. Deploy structured resource mobilization campaigns based on the network's value proposition and showcasing results from operations;

c. Structure resource mobilization based on rolling future (e.g. 3-year) projections of demand, allowing for sustained resourcing of operations;

d. Organize and host contribution conferences, including virtual events, for existing and potential contributors, followed by pledging events aligned with the above cycle, one year prior to its conclusion;

e. Conduct bilateral engagement with contributors and potential contributors on an ongoing basis.

4.2. Funding goals

8. The Santiago network will develop funding goals for resource mobilization taking into account its current funding situation and pledges, planned work to analyse needs, priorities and demand from developing countries and communities, and projected technical

assistance and administrative budget needs.[1] The Santiago network Secretariat will develop projections of demand and resourcing scenarios to inform further consideration of funding goals by the Advisory Board.

9. The Santiago network's initial resource mobilization efforts will be aligned with the timeframe of its first Santiago network strategy, aiming to secure resources for the 2026-2028 period, as well as for future cycles. Over this period, the Secretariat will closely monitor commitment levels against current contributions and carry out ongoing resource mobilization efforts, as it develops the forward-looking projection of identified needs and actual and projected demand for technical assistance and associated resourcing requirements.

5. Funding sources and contributor outreach

5.1. Funding sources

10. The Santiago network's resource mobilization is anchored in the following Santiago network documents:

   a. Decision 1/CMA.3 "urges developed country Parties, the operating entities of the Financial Mechanism, United Nations entities and intergovernmental organizations and other bilateral and multilateral institutions, including non-governmental organizations and private sources, to provide enhanced and additional support for activities addressing loss and damage associated with the adverse effects of climate change."

   b. Decision 12/CMA.4 "urges developed country Parties to provide funds for the operation of the Santiago network and for the provision of technical assistance" and also "encourages others to provide support for the operation of the Santiago network and technical assistance."

   c. The *Memorandum of understanding for the hosting of the Santiago network Secretariat* requires that the co-hosts "ensure that the Santiago network and its secretariat are able to receive the required financial and other support from a wide variety of sources.'

   d. The Advisory Board-approved Work Programme 2024-25 and Guidelines for Managing Funding call for the Santiago network to "broaden resource channels as well as coordinating with Member States and other donors for mobilizing and effectively utilizing resources."

11. Existing contributions are in the form of individual, bilateral government contributions, resulting in agreements between UNOPS on behalf of the Santiago network Secretariat and

[1] Paragraph 45 of Annex to decision 6/CMA.5 indicates that the initial term of the MOU between the UNFCCC, UNDRR and UNOPS regarding the hosting of the Santiago network secretariat shall be five years from its entry into force, with five year renewal periods, if so decided by the governing body or bodies and UNDRR and UNOPS.

respective ministries or other relevant government entities at the national or sub-national level. All current contributions and pledges fall under this category.

12. The Santiago network could also explore the following other potential sources of funding:

   a. Philanthropies and non-profits - non-state actors that are working on the loss & damage associated with the adverse effects of climate change, such as philanthropies, NGOs, foundations, and academic institutions. These are subject to a tailor-made approach and risk management framework.

   b. Multilateral partners - contributions where stakeholders have combined their resources for specific purposes; this may include UN entities, development banks, and inter- and supranational organizations.

   c. Private sector - private sector entities have shown increasing interest in funding loss & damage activities; engaging the private sector is subject to a tailor-made approach and risk management framework. This category can include private sector entities, including local actors.

   d. High net worth individuals - in recent years, high net worth individuals have increasingly engaged in environmental impact work.

   e. Regional solidarity funds or pooled contributions from non-traditional donor countries can reinforce ownership and mutual support

   f. Other interested contributors[2]

13. In particular the potential engagement of private sector entities will require a variety of customized approaches and safeguards in line with co-host rules and regulations. Potential private sector contributions will, in no way shape or form, expect any return on contributions provided to the Santiago network, or increase the indebtedness of developing countries.

5.2. Contributor outreach

14. **Segmentation of contributors.** Given the various natures of potential contributors, their different interests in the loss and damage field and their capabilities, a segmentation or grouping of the types of contributors identified by a mapping exercise is required. Contributors can also be categorized by value, priority, estimated contribution turnaround, and other factors.

15. **Co-financing of technical assistance.** In line with its guidelines and procedures for responding to requests for technical assistance, the Santiago network may catalyze and match requests for technical assistance receiving co-financing. In these cases funding may

[2] These may include small-scale civic philanthropy

be provided by a Member, request proponent, or an external source. For requests receiving co-financing, the Santiago network Secretariat will play a catalytic role to support this type of funding and will track and report catalyzed co-financing. For avoidance of doubt, co-financing is not a requirement but rather a possibility under the guidelines.

16. **Plan for identifying and approaching financial sources.** A stated objective of the resource mobilization strategy is to broaden resource channels. For this, contributors and stakeholder mapping will be conducted as per the methodology currently under development. Each type of contributor demands a distinct approach, is subject to unique political sensitivities and requires a unique risk management approach.

17. Aligned with the Santiago network strategy and complementing the Outreach and engagement strategy, specific resource mobilization outreach activities will be identified as part of the work planning process, to nurture existing relationships and to engage new potential contributors. These efforts will always highlight the Santiago network's gender responsiveness approach for potential contributors to consider.

18. **Complementarity with different funding channels.** A significant number of stakeholders and initiatives operate in the loss and damage landscape. Decision 1/CP.20 Annex II on funding arrangements states that the "Santiago network and its members should contribute to (...) coherence by aligning technical assistance catalysed under the network with efforts to build capacity and support the programmatic approaches of the Fund and the funding arrangements, as appropriate". Funding received by the Santiago network is therefore also expected to enhance the effectiveness of the broader funding arrangements ecosystem.

19. In its resource mobilization efforts, the Santiago network Secretariat ensures that activities complement other initiatives rather than compete with them. In conjunction with this the Secretariat will:

    a. Enhance its understanding of other actors in the loss and damage landscape, drawing on ecosystem analysis done by the WIM ExCom's ASEG and the FRLD, as well as leveraging co-host resources[3]. This determines which entities, funds and initiatives are operating in a similar funding environment;

    b. Coordinate and seek to build synergies with other actors, including the FRLD, to pursue efficient deployment of resources to maximise impact, promote complementarity rather than competitive fundraising efforts, and exchange information relevant to resource mobilization efforts including on needs and demand;

[3] I.e. UNOPS corporate operates partnership and donor databases (including non-State actors) and its ERP system captures potential (pipeline) contributor data and detailed active contributor data

c. Communicate complementary roles to both contributors and developing countries, to reinforce understanding of the Santiago network's value proposition as set out in its strategy, and its role in the loss and damage architecture

20. A detailed plan for identifying and approaching financial sources as well as the complementarity with different funding channels will be developed following adoption of the strategy and considered as part of the Santiago network work planning. This plan aims to leverage OBNE network members and co-host resources and networks.

6. Terms of contributions

21. **Pool funding.** In accordance with Section III, paragraph 9 of the Santiago network managing funding guidelines, contributions to the Santiago network will be pooled, rather than earmarked, to ensure management effectiveness and efficiency and ensure synergies between contributions.

22. The following principles are applied to pooled funds:

   a. Funds are pooled together and form the basis for annual Advisory Board-approved budgets; currently, no funds are earmarked (i.e. for specific countries or technical areas);

   b. Contributors receive one unified report on the use of funds;

   c. Audits are conducted on the entirety of the contributions in line with the UN single audit principle;

   d. Mid-term and potential ad hoc evaluations are coordinated by the Secretariat, under the guidance of the Advisory Board and with input from donors.

23. **Types of contributions**. To ensure flexibility during the initial stage of Santiago network operations, contributors may be invited to engage the Santiago network through various approaches:

   a. Contribution agreement installments - contributors provide funding to the Santiago network based on an agreed-upon annual installment basis.

   b. Ad-hoc contributions - contributors make contributions at any time, either which may follow an announced pledge or be provided directly.

   c. One-time contributions - contributors make one-off contributions to the Santiago network.

   d. Co-financing of administrative needs - contributors co-finance specific admin needs -e.g. office rental/equipment for the Santiago network Secretariat.

e. Combination of the above - contributors provide the Santiago network with a combination of the above approaches; this often comes in the form of regular contributions and co-financing of admin needs.

24. The Santiago network Secretariat will develop an engagement approach and a fund management system to capture and monitor the various types of contributions. This will be accomplished through databases and the co-host Projects fund management platform.

25. **Contributions agreements.** Santiago network financial resources are legally secured through contribution agreements, managed in line with relevant co-host rules, regulations and policies[4]. Key features are uniform amongst all agreements:

a. Contribution agreements for the Santiago network will be signed between the contributors and UNOPS, on behalf of the Santiago network Secretariat;

b. To ensure the coherence of various contributions, the UNOPS contribution agreement template is the default;

c. As per the Santiago network guidelines for managing funding, contributions to the Santiago network will be pooled, rather than earmarked, to ensure management effectiveness and efficiency and ensure synergies between contributions.

d. Donor-specific requirements are included under Special Conditions.

26. **Timing and funding cycle.** The initial term of the Memorandum of Understanding between the UNFCCC, UNDRR and UNOPS regarding the hosting of the Santiago network Secretariat is five years from its entry into force, with five-year renewal periods, if so decided by the Santiago network's governing body and UNDRR and UNOPS[5]. The Santiago network will ensure appropriate legal arrangements are in place to secure its ability to manage resources beyond the current MOU cycle, including agreements with contributors with terms that extend beyond the current Memorandum of Understanding term.

27. **Cashflow.** While UNOPS, on behalf of the Santiago network Secretariat and in line with approved budgets, can engage in procurement, grants and HR activities based on contributions, it has to be ensured that the Santiago network has sufficient cash on the books to operate the Secretariat and implement technical assistance activities.

28. While other approaches will have to be managed as applicable, the predominant model is based on contributor installments, whereby a donor disburses cash to UNOPS on behalf of the Santiago network Secretariat on an annual basis - on average, three times per contribution agreement.

[4] For the current implementation period, the funds will be managed in line with UNOPS rules and regulations
[5] Annex to decision 6/CMA.5 paragraph 45

29. The installment cycle in the contribution agreements for funds managed by UNOPS on behalf of the Santiago network Secretariat is aligned with the UNOPS annual certified reporting period, i.e. at the end of Q2 of each calendar year.

7. Monitoring and reporting, risk management and sustainability

7.1. Monitoring and reporting

30. The implementation of the resource mobilization strategy will be monitored diligently through a variety of tools and processes:

   a. Co-host tracking tools[6] Secretariat data and a dedicated Santiago network donor dashboard (to be developed); these tools provide financial information on contributions, data on received and expected remittances, information on legal contribution agreements, and status of contributor negotiations.

   b. Regular Secretariat updates issued to the Advisory Board as well as reporting during Advisory Board meetings; .

   c. Co-host quarterly assurance processes require updates on resource mobilization activities and resources that are in the pipelines,

   d. Annual financial audits include in their scope an assurance review of the adequacy of financial resources and validity of contribution agreements;

   e. As per paragraph 38 of decision 6/CMA.5 and endorsed in 2/CP.28, the 'Santiago network shall commission one independent review of the performance of the network, including sustainability and sources of funding, adequacy of funding levels…'. The performance on the implementation of this resource mobilization strategy is an integral part of such review.

31. The resulting data and reports are utilized to determine whether the implementation of this strategy is on track or whether adjustments need to be made. The Secretariat will also rely on the Advisory Board to provide periodic guidance, based on the information contained in reports to the Advisory Board.

7.2. Risk management

32. A risk matrix identifying resource mobilization risks based on their probability/likelihood, potential impact, and mitigation measures will be developed. The risk matrix will help the Santiago network Secretariat in systematically identifying, analyzing, and responding to potential resource mobilization risks, ensuring a proactive approach to risk management.

[6] I.e. UNOPS corporate operates partnership and donor databases (including non-State actors) and its ERP system captures potential (pipeline) contributor data and detailed active contributor data

Risks and mitigation measures will be periodically reported to the Advisory Board as part of the Santiago network's overall risk matrix.

33. Relevant budgets are managed in USD. Foreign exchange risk management. The majority of SN contributions are currently in EUR. Therefore, a risk management approach, taking into account currency fluctuations (also aligned with donor mapping) is being developed.

7.3. Sustainability and long-term planning

34. Aligned with section 4.2 of the Santiago network strategy, the Secretariat aims to establish adequate and predictable funding, mobilize early investment in core operations, and reach a steady level of investment in Santiago network Member engagement. While the immediate focus is on establishing the resource mobilization approach, methodology and policy framework, the mid-term goal is to establish a clear path for longer-term resource mobilization, including setting funding targets based on demand-driven resourcing scenarios. Adequate flexibility will be embedded into the resource mobilization approaches in order to respond to an ever-changing environment.

35. Relationship-building will be a major aspect of implementing the resource mobilization strategy in order to ensure complementarity with other efforts in the loss and damage landscape. Ongoing and evolving engagement with the FRLD, participation in relevant events, mapping exercises, and networking will all contribute to strengthening the Santiago network's positioning.

36. The Santiago network resource mobilization strategy provides a critical foundation for positioning the network for its next chapter of scaling, delivery, and rapid learning. By securing sustainable and diversified resources, the strategy enables the network to support the empowerment of developing countries and communities, ensuring they have the means to shape and implement effective action on loss and damage. Through its implementation, the network can enhance its impact, strengthen partnerships, and contribute to a more resilient and responsive funding ecosystem.