

Disaster in Tuvalu

Negotiation instructions for the US Special Climate Envoy

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Enclosed an memo outlining your priorities to keep in mind for the upcoming ministerial meeting. This information is for your eyes only.

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Staff Memo

From: Office of the Special Presidential Envoy for Climate

To: United States Special Presidential Envoy for Climate, John Kerry

Date: October 31, 2022

Re: Information for pre-meeting btw. yourself, the Treasury Secretary, the Secretary of State and the Chief of Staff of the President

As requested, below some preparatory information for your upcoming meeting.

Strategic considerations:

1. **Flexibility of the mandate: We recommend aiming for maximum flexibility and negotiation leeway with as few restrictions as possible for your Chief of Staff.**

Our key interest is providing your Chief of Staff—the chosen representative for the upcoming negotiation—with the least restrictive mandate as possible. The internal pre-meeting will determine the specific mandate for your Chief of Staff when negotiating with the Tuvaluan Chief of Staff. The outcome of the meeting in turn will substantially affect your freedom to negotiate when you meet with Steve Paeniu shortly after. As the negotiations are likely going to be tense, we recommend keeping the instructions as flexible as possible.

2. **Linkage to COP: To the degree possible, we recommend handling negotiations regarding this cyclone separately from upcoming COP discussions on L&D.**

We want to avoid precedents on having disaster relief funds (such as humanitarian aid) be framed as funds for climate-related losses and damages. Whilst we are open to discuss increased financing or new vehicles for climate related impacts at the upcoming COP, there are important nuances to ensure that such vehicles don't imply a general liability for the US. A premature acceptance of particular disaster funding as climate-related could set precedents for the US to assume general responsibility and provide humanitarian funding as part of its climate commitments. In particular, any implication of the US having a direct responsibility for this disaster must be avoided.

Considerations for specific agenda items:

Your staff has shared an agenda of discussion items. Below our recommended positions for the key discussion items.

1) Funding Amount

Together with your colleges, you will need to determine a specific funding amount the US will pay to Tuvalu. The funding categories are below:

Short-term Funding	
Flood relief and food security assistance	\$75mill
Infrastructure funding, with focus on port	\$25mill <i>China has offered these \$25 million of</i>



	<i>infrastructure funding in exchange for limited operating rights to the port</i>
Long-term Funding	
Agriculture and food security, health, economic growth, education, protection, and governance	\$25mill
Disaster resilience and adaptation	\$25mill <i>China has offered these \$25 million of funding incl. the provision of satellite technology for disaster monitoring</i>
Migration and education	\$25mill

Recommendations:

Provide full amount of funding of \$175 million. We believe that the total number of aid will be the number that makes headlines. Providing Tuvalu with \$175 million total in aid will help the country recover from this disaster and help move COP27 towards commonly shared goals.

2) Funding Vehicles

The Tuvaluan and US Chief of Staffs have collected options for disbursing the funds.

Options include:

1. *Official Development Assistance (ODA)*
ODA paid out bilaterally to Tuvalu directly from the US federal budget. The main advantage of ODA is that it can be disbursed very quickly.
2. *UN Non-Climate Funds*
The UN through its World Food Program (WFP), its Office for Humanitarian Affairs (OCHA), and through the UN High Commissioner for Refugees (UNHCR) could release funds. The US would pay into the UN and the UN funds would disburse them to Tuvalu.
3. *Green Climate Fund (GCF)*
The GCF is the main climate related fund under the UN umbrella. It is currently not designed to cover immediate funding needs but rather to fund specific projects. Tuvalu has made calls to alter the GCF to both disperse funds more rapidly and to cover long-term costs associated with climate disasters. The US has not publicly responded to these calls. You are not fundamentally opposed. Especially, in the context of discussions about creating evermore funding vehicles for new purposes, you believe revamping existing vehicles such as the GCF—where the US can affect funding decision through its membership on the board—to make it more functional is preferable. Any attempts to use this vehicle for short-term funding are, however, futile. It has no capacity to do so, and institutional changes take time.



Recommendations:

We believe the best option is to provide funds to Tuvalu as bilateral aid through ODA for the short term and non-climate funds in the long-term (WFP, UNHCT and OCHA). To avoid opening a door that may make the US sensitive to future claims, we recommend providing immediate disaster relief funds through vehicles that are not directly linked to climate related funding. Notably, any existing climate vehicle would be unable to disburse funds as rapidly as is needed.

If you believe funding this event via climate-related vehicles becomes necessary, we recommend an agreement that foresees only long-term funding through the GCF (with the exception of Migration and Education). If at some point in the future, there will be a L&D fund, then whatever we agree on now will be used as a precedent. In our view, it can reasonably be argued that long-term funding for food security, disaster adaptation, etc. should come from climate-specific funding sources. However, the idea that long-term funding for Migration and Education are climate-specific could create dangerous precedents. Migration and Education should not be funded from climate specific sources here, as it enables countries to use this instance to argue that a potential L&D fund should comprise Migration and Education and other funding categories that are only very indirectly linked to climate related losses and damages. Such a precedent should be avoided.

3) Public Communication of the Results

Recommendations:

Secure a joint press statement whilst avoiding the topic of L&D in public communications. We recommend minimizing attention on L&D leading up to COP27 while also framing the US as a global leader in the international climate space. At the minimum any language that frames the debate around liability or reparations for a direct responsibility of the US must be avoided. Any openness to address losses and damages should only focus on supporting countries in addressing those losses and damages, but not suggest a specific historical liability to do so.

4) Potential Discussion Item 4: COP27 (Strictly Confidential)

Recommendations:

We recommend keeping your cards as open as possible and, to the extent possible, avoid any public or private commitments with regards to COP27. It is unclear how this discussion will unfold, if at all. Should Tuvalu link these upcoming discussions to negotiations about the official COP27 agenda, we recommend not agreeing to support L&D as an agenda item at COP27. If such a commitment becomes necessary through the course of the negotiations, any agreement should be predicated on a commitment from Tuvalu that it will not push for language that might subject the US to legal financial obligations. Any agreement on US support for the COP27 agenda or regarding openness to future negotiations about financial support should be private and not be communicated publicly.