

Fund for responding to loss and damage

FLD/B.1/1

22 April 2024

First meeting of the Board

30 April to 2 May 2024

Abu Dhabi, United Arab Emirates

Provisional agenda item 3(a)

Provisional Agenda

1. Opening of the meeting.
2. Election of Co-Chairs.
3. Organizational matters.
 - (a) Adoption of the agenda;
 - (b) Organization of the work of the meeting.
4. Workplan of the Board.
5. Additional rules of procedure of the Board.
6. Selection of the host country of the Board.
7. Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund.
8. Arrangements for observer participation in the Board meetings.
9. Administrative budget and the report of the interim secretariat.
10. Travel policy of the Board.
11. Process for selecting the Executive Director of the Fund.
12. Name of the Fund.
13. Status of resources.
14. Dates and venues of future meetings.
15. Report of the meeting.
16. Other matters.
17. Closure of the meeting.

I. Annotations to the provisional agenda

1. Opening of the meeting

1. The meeting will be opened by a representative of the Executive Secretary of the United Nations Framework Convention on Climate Change, who will preside over the meeting until the Co-Chairs are elected.
2. The representative of the Government of the United Arab Emirates as host of the inaugural meeting of the Board will deliver a statement at the outset.

2. Election of Co-Chairs

3. *Background:* Pursuant to paragraph 23 of the Governing Instrument of the Fund referred to in decisions 1/CP.28 and 5/CMA.5, as contained in annex I to decisions 1/CP.28 and 5/CMA.5, the Board is to be chaired by two Co-Chairs, elected by the Board from within its membership, with one from a developed country and one from a developing country, who will serve for a term of one year.
4. *Action:* The Board will be invited to elect its Co-Chairs.

3. Organizational matters

(a) Adoption of the agenda

5. *Action:* The Board will be invited to adopt the agenda of the meeting.

(b) Organization of the work of the meeting

6. *Action:* The Board will be invited to agree on the order in which the agenda items shall be considered. It will also be invited to consider and agree the interim arrangements for observer participation at this meeting.

FLD/B.1/1	<i>Provisional agenda and annotations</i>
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4. Workplan of the Board

7. *Background:* A draft workplan of the Board for consideration by the Board has been circulated to Board members.
8. *Action:* The Board will be invited to agree on its workplan, including the next steps and timelines.

FLD/B.1/2	<i>Background paper on the workplan of the Board</i>
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5. Additional rules of procedure of the Board

9. *Background:* Paragraphs 23–30 of the Governing Instrument of the Fund contain certain rules of procedure of the Board. In accordance with paragraph 31 of the Governing Instrument of the Fund, the Board will develop additional rules of procedure.
10. *Action:* The Board will be invited to consider its additional rules of procedure, including next steps and timeline as necessary.

FLD/B.1/3	<i>Background paper on additional rules of procedure of the Board</i>
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6. Selection of the host country of the Board

11. *Background:* In accordance with decisions 1/CP.28 and 5/CMA.5, paragraph 15, the Board of the Fund will be conferred with legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat. The twenty-eighth session of the Conference of Parties (COP) and the fifth session of the Conference of Parties serving as meeting of Parties to the Paris Agreement (CMA) also requested the Board of the Fund to select the host country of the Board through an open, transparent and competitive process.¹ In addition, if the World Bank has not confirmed that it is willing and able to meet the conditions set out in decisions 1/CP.28 and 5/CMA.5, paragraph 20, within six months after the conclusion of COP 28, the Board will launch the selection process for the host country of the Fund, and COP 29 and CMA 6 will approve the necessary amendments to the Governing Instrument of the Fund.²

12. *Action:* The Board will be invited to:

- (a) Agree on its approach, including the criteria, process and time frame for the selection of the host country;
- (b) Launch the selection process for the host country of the Board.

FLD/B.1/4	<i>Background paper on the selection of the host country of the Board</i>
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7. Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

13. *Background:* COP 28 and CMA 5 invited the World Bank to operationalize the Fund as a World Bank-hosted financial intermediary fund for an interim period of four years,³ serviced by a new, dedicated and independent secretariat hosted by the World Bank, subject to the conditions outlined in decisions 1/CP.28 and 5/CMA.5, paragraph 20, and elaborated in paragraphs 21–24. The interim period will begin from the sessions of the COP and the CMA at which the Board of the Fund confirms that the conditions (see para. 14 below) can be met.

14. The continued operationalization of the Fund during the interim period will be conditional on the World Bank hosting the Fund as a financial intermediary fund in a manner that:

- (a) Is fully consistent with the Governing Instrument of the Fund;
- (b) Ensures the full autonomy of the Board of the Fund to select the Executive Director of the Fund at a level of seniority set by the Board, in line with relevant World Bank human resources policies;
- (c) Enables the Fund to establish and apply its own eligibility criteria, including on the basis of guidance from the COP and the CMA;
- (d) Ensures that the Governing Instrument of the Fund supersedes, where appropriate, the policies of the World Bank in instances where they differ;
- (e) Allows all developing countries to directly access resources from the Fund, including through subnational, national and regional entities and through small grant funding for communities, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;
- (f) Allows for the use of implementing entities other than multilateral development banks, the International Monetary Fund and United Nations agencies,

¹ Decisions 1/CP.28, para. 16, and 5/CMA.5, para. 16.

² Decisions 1/CP.28, para. 21, and 5/CMA.5, para. 21.

³ Decisions 1/CP.28, para. 17, and 5/CMA.5, para. 17.

consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

(g) Ensures that Parties to the Convention and the Paris Agreement that are not member countries of the World Bank are able to access the Fund without requiring decisions or waivers from the World Bank Board of Directors on individual funding requests;

(h) Ensures that the Fund can receive contributions from a wide variety of sources, in line with due diligence considerations;

(i) Confirms that the Fund's assets and its secretariat have the necessary privileges and immunities;

(j) Ensures a cost recovery methodology that is reasonable and appropriate.⁴

15. COP 28 and CMA 5 confirmed their expectation that, as a financial intermediary fund, the Fund will operate through the legal personality and legal capacity of the World Bank, and the privileges and immunities accorded to the World Bank will apply to the officials, property, assets, archives, income, operations and transactions of the Fund.⁵

16. COP 28 and CMA 5 invited the World Bank to take the steps necessary to promptly operationalize the Fund as a financial intermediary fund and submit to the Board of the Fund by no later than eight months after the conclusion of COP 28 the relevant financial intermediary fund documentation, approved by the World Bank Board of Directors, including a hosting agreement between the Board of the Fund and the World Bank based on consultations with and guidance from the Board of the Fund.⁶

17. COP 28 and CMA 5 decided that, notwithstanding the invitation referred to in decisions 1/CP.28 and 5/CMA.5, paragraph 17, if the World Bank has not confirmed that it is willing and able to meet the conditions set out in paragraph 20 of the same decisions within six months after the conclusion of COP 28, the Board will launch the selection process for the host country of the Fund and COP 29 and CMA 6 will approve the necessary amendments to the Governing Instrument of the Fund.⁷

18. COP 28 and CMA 5 also decided that, if the Board of the Fund determines that the relevant financial intermediary fund documentation approved by the World Bank Board of Directors does not ensure that the conditions (see para. 14 above) can be met during the interim period, the Board of the Fund will recommend to the COP and the CMA that they take the necessary steps to operationalize the Fund as an independent stand-alone institution, including approving the necessary amendments to the Governing Instrument of the Fund and providing guidance to the Board with respect to the selection process for the host country of the Fund, or the COP and the CMA may take any other course of action deemed appropriate.⁸

19. COP 28 and CMA 5 further decided that, if the above-mentioned conditions have not been met, as determined by the Board of the Fund following an independent assessment of the performance of the World Bank as host of the Fund's secretariat, the COP and the CMA will take steps at the end of the interim period to establish the Fund as an independent stand-alone institution, including with respect to any necessary amendments to the Governing Instrument of the Fund and providing guidance to the Board with respect to the selection process for the host country of the Fund, or take any other course of action deemed appropriate.⁹

20. COP 28 and CMA 5 decided that, prior to the establishment of the financial intermediary fund, the Board of the Fund will provide guidance to the World Bank as it takes the necessary steps to establish the Fund as a financial intermediary fund.¹⁰

⁴ Decisions 1/CP.28, para. 20, and 5/CMA.5, para. 20.

⁵ Decisions 1/CP.28, para. 18, and 5/CMA.5, para. 18.

⁶ Decisions 1/CP.28, para. 19, and 5/CMA.5, para. 19.

⁷ Decisions 1/CP.28, para. 21, and 5/CMA.5, para. 21.

⁸ Decisions 1/CP.28, para. 22, and 5/CMA.5, para. 22.

⁹ Decisions 1/CP.28, para. 23, and 5/CMA.5, para. 23.

¹⁰ Decisions 1/CP.28, para. 25, and 5/CMA.5, para. 25.

21. *Action:* The Board may wish to provide guidance to the World Bank as it takes the necessary steps to establish the Fund as a financial intermediary fund and to decide on the process, time frames and modalities for concluding and entering into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat.

FLD/B.1/5	<i>Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund</i>
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8. Arrangements for observer participation in the Board meetings

22. *Background:* In accordance with paragraph 27 of the Governing Instrument of the Fund, the Fund will make arrangements to allow for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

23. *Action:* The Board will be invited to consider the arrangements for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

FLD/B.1/6	<i>Background paper on arrangements for observer participation in the Board meetings</i>
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9. Administrative budget and the report of the interim secretariat

24. *Background:* COP 28 and CMA 5 decided to establish an interim secretariat for the Fund to provide support, including administrative support, to the Board of the Fund during the transitional period until the establishment of the independent secretariat, and requested the secretariats of the UNFCCC and the Green Climate Fund and invited the United Nations Development Programme to jointly form this secretariat.¹¹ A background paper on arrangements for the interim secretariat and a draft administrative budget for the interim secretariat for 1 January to 31 December 2024 is contained in document FLD/B.1.7.

25. *Action:* The Board will be invited to:

- (a) Take note of the report of the interim secretariat;
- (b) Approve the administrative budget proposed for 1 January to 31 December 2024, in the amounts set forth in the table contained in document FLD/B.1/7;
- (c) Authorize the UNFCCC secretariat to utilize funds as well as to make cash transfers from its supplementary trust fund from contributions made for the work of the interim secretariat to the secretariat of the Green Climate Fund and to the United Nations Development Programme, up to the total amounts specified in table 1 of document FLD/B.1/7. These amounts may be adjusted on the basis of revised costs and expenditures to be incurred that will be further communicated to the Board.

FLD/B.1/7	<i>Administrative budget and report of the interim secretariat</i>
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10. Travel policy of the Board

26. *Background:* In order to facilitate the participation of members and alternate members of the Board and advisers in meetings of the Board and any ancillary meetings decided by the Board, the Board will require a policy on travel.

27. *Action:* The Board will be invited to consider establishing a policy on travel.

FLD/B.1/8	<i>Background paper on the travel policy of the Board</i>
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¹¹ Decisions 1/CP.28, para. 26, and 5/CMA.5, para. 26.

11. Process for selecting the Executive Director of the Fund

28. *Background:* In accordance with paragraph 33 of the Governing Instrument of the Fund, the secretariat will be headed by the Executive Director of the Fund, who will be selected by the Board. The Board will approve the job description and required qualifications for the Executive Director. The Executive Director will be selected through a merit-based, open and transparent process and will have the necessary experience and skills for the position. Furthermore, COP 28 and CMA 5 urged the Board to promptly select the Executive Director of the Fund through a merit-based, open and transparent process.¹²

29. *Action:* The Board will be invited to agree on:

- (a) The terms of reference for the Executive Director;
- (b) The timeline for advertising for and shortlisting of candidates and for selecting the Executive Director as outlined in document FLD/B.1/9, in consultation with the World Bank;
- (c) The launch of the process for selecting the Executive Director of the Fund as appropriate.

FLD/B.1/9	<i>Background paper on the process for selecting the Executive Director of the Fund</i>
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12. Name of the Fund

30. *Background:* The COP and the CMA adopted decisions 1/CP.28 and 5/CMA.5 on the understanding that once operational, the Board would take up the matter of a name for the Fund.

31. *Action:* The Board may wish to deliberate and agree on the name of the Fund.

13. Status of resources

32. *Background:* Chapters VII and VIII in the Governing Instrument of the Fund set out provisions with respect to financial input and financial instruments respectively. COP 28 and CMA 5 urged developed country Parties to continue to provide support and encouraged other Parties to provide, or continue to provide support, on a voluntary basis, for activities to address loss and damage, without prejudice to any future funding arrangements, any positions of Parties in current or future negotiations, or understandings and interpretations of the Convention and the Paris Agreement.¹³

33. Furthermore, COP 28 and CMA 5 invited financial contributions with developed country Parties continuing to take the lead to provide financial resources for commencing the operationalization of the Fund.¹⁴ In this regard, COP 28 and CMA 5 welcomed the offers from the Governments of Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Netherlands (Kingdom of the), Norway, Portugal, Slovenia, Spain, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America, and the European Union, to contribute to the Fund. An information document on the status of resources of the Fund has been circulated to Board members (document FLD/B.1/10).

34. *Action:* The Board may wish to:

- (a) Take note of the information contained in document FLD/B.1/10 and take any action it deems necessary;
- (b) Encourage further financial contributions in support of the work of the Fund.

¹² Decisions 1/CP.28, para. 11, and 5/CMA.5, para. 11.

¹³ Decisions 1/CP.28, para. 12, and 5/CMA.5, para. 12.

¹⁴ Decisions 1/CP.28, para. 13, and 5/CMA.5, para. 13.

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*Status of resources***14. Dates and venues of future meetings**

35. The Board may wish to decide on the timing and venues of its remaining meetings in 2024 taking into consideration its workplan.

15. Report of the meeting

36. The Board may wish to decide on the procedure for approving the report of its meetings.

16. Other matters

37. Members of the Board may raise any other business under this agenda item.

17. Closure of the meeting

38. The meeting will be closed by the Co-Chairs.

Annex

Provisional schedule for the first meeting of the Board of the Fund for responding to loss and damage

<i>30 April 2024 (UTC+4)</i>	
08:00 – 09:00	Registration
09:00 – 9:15	Opening of the meeting
9:15 – 9:30	Election of Co-Chairs
9:30 – 9:45	Adoption of the agenda
9:45 – 10:00	Organization of the work of the meeting
10:00 – 11:00	Workplan of the Board
11:00 – 11:15	Coffee break
11:15 – 13:00	Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund
13:00 – 14:30	Lunch break
14:30 – 15:15	Additional rules of procedure of the Board
15:15 – 16:15	Selection of the host country of the Board
16:15 – 16:30	Coffee break
16:30 – 17:30	Process for selecting the Executive Director of the Fund
<i>1 May 2024 (UTC+4)</i>	
9:00 – 9:45	Arrangements for observer participation in the Board meetings
9:45 – 10:30	Administrative budget and the report of the interim secretariat
10:30 – 10:45	Coffee break
10:30 – 11:15	Travel policy of the Board
11:15 – 12:00	Name of the Fund
12:00 – 13:00	Workplan of the Board
13:00 – 14:30	Lunch break
14:30 – 15:30	Status of resources
15:30 – 16:30	Selection of the host country of the Board
16:30 – 16:45	Coffee break
16:45 – 17:30	Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

2 May 2024 (UTC+4)

9:00 – 9:45	Process for selecting the Executive Director of the Fund
9:45 – 10:30	Additional rules of procedure of the Board
10:30 – 10:45	Coffee break
10:45 – 11:15	Name of the Fund
11:15 – 11:45	Arrangements for observer participation in the Board meetings
11:45 – 12:15	Administrative budget and the report of the interim secretariat
12:15 – 13:00	Travel policy of the Board
13:00 – 14:30	Lunch break
14:30 – 15:00	Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund
15:00 – 15:30	Selection of the host country of the Board
15:30 – 15:45	Coffee break
15:45 – 16:00	Dates and venues of future meetings
16:00 – 16:30	Report of the meeting
16:30 – 16:40	Other matters
16:45 – 17:00	Closure of the meeting
