

Fund for responding to Loss and Damage

FRLD/B.3/12

5 November 2024

Third meeting of the Board

18–20 September 2024

Baku, Azerbaijan

Report of the third meeting of the Board of the Fund for responding to Loss and Damage

Summary

This report presents a summary of the discussions and outcomes of the third meeting of the Board of the Fund for responding to Loss and Damage, convened from 18 to 20 September 2024 in Baku, Azerbaijan.

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Agenda item 1: Opening of the meeting

1. The third meeting of the Board of the Fund for responding to Loss and Damage was opened at 9.38 a.m. (UTC+4), on Wednesday, 18 September 2024 in Baku, Azerbaijan, by Richard Sherman, Co-Chair of the Board of the Fund, followed by remarks from Co-Chair John-Christophe Donnellier.

2. Prior to the official opening, His Excellency Mukhtar Babayev, COP 29 President-Designate, delivered a welcome address on behalf of the host nation. In his remarks, he highlighted the widespread destruction caused by super typhoon Yagi across Asia, serving as a powerful reminder of the critical urgency to make the Fund for responding to Loss and Damage fully operational.

3. The Board adopted the following decision under this agenda item:

DECISION B.3/D.1: Appointment of members to ad hoc subcommittees of the Board

The Board:

Appoints as a member of the ad hoc subcommittee on the administrative budget, Mr. Hiroki Matsui, replacing Mr. Atsushi Kato.

Agenda item 2: Organizational matters

(a) Adoption of the agenda

4. The Board adopted the agenda of the meeting, as set forth in document FLD/B.3/1, shown below:

1. Opening of the meeting
2. Organizational matters
 - (a) Adoption of the agenda
 - (b) Organization of the work of the meeting
3. Report of the second meeting of the Board
4. Report of the interim secretariat
 - (a) Report on the activities of the interim secretariat
 - (b) Report on the execution of the administrative budget
5. Report of the Co-Chairs
 - (a) Activities of the Co-Chairs
6. Administrative budget of the new, dedicated and independent secretariat of the Fund
7. Selection of the Executive Director for the Fund
8. Additional rules of procedure of the Board
9. Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund
 - (a) Hosting agreement between the Board of the Fund and the World Bank
 - (b) Trustee arrangements
 - (c) Confirmation of the conditions stipulated in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 regarding the operationalization of the Fund as a World Bank-hosted financial intermediary fund for the interim period of four years, as set out in paragraph 17 of the same decisions

10. Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session
11. Arrangements for establishing and operationalizing the annual high-level dialogue
12. Dialogue with civil society
13. Dates and venues of future meetings
14. Other matters
15. Closure of the meeting

(b) Organization of the work of the meeting

5. The Co-Chairs announced the following changes to the membership of the Board since its second meeting:

(a) Replacement of Atsushi Kato (Japan) by Hiroki Matsui (Japan) as a Board member representing developed countries;

(b) Replacement of Marjeta Jager (European Union (EU)) by Jan Dusik (EU) as a Board member representing developed countries;

(c) Replacement of Pierre Marc (France) by Antoine Bergerot (France) as an alternate member of the Board representing developed countries;

(d) Temporary replacement for the third Board meeting of Abdulla Ahmed Balalaa Al Harthi (United Arab Emirates (UAE)) with Hana AlHashimi (UAE) as a Board member representing the Asia-Pacific States;

(e) Temporary replacement for the third Board meeting of Didar Temenov (Kazakhstan) by Shattyk Tastemirova (Kazakhstan) as an alternate member representing the Asia-Pacific States;

(f) Temporary replacement for the third Board meeting of Karoline Kjeldsenas (Norway) by Lauren Gisnås (Norway) as an alternate member representing developed countries;

(g) Temporary replacement for the third Board meeting of Hyokai Tsuyoshi (Japan) by Takuro Itoigawa (Japan) as an alternate member representing developed countries.

6. The following members or alternate members of the Board were not in attendance at the third meeting of the Board:

- (a) Selam Kidane Ababe;
- (b) Nona Budoyan;
- (c) Mohamed Nasr;
- (d) Jaime Tramon.

Agenda item 3: Report of the second meeting of the Board

7. The Board considered the document FLD/B.2/18 titled “Report of the second meeting of the Board of the Fund for responding to Loss and Damage”.

8. The Board adopted the report of the meeting as presented.

Agenda item 4: Report of the interim secretariat

(a) Report on the activities of the interim secretariat

9. The Board considered document FLD/B.3/2/Rev.1 titled “Report of the interim secretariat”.

10. The Board took note of the report.

(b) Report on the execution of the administrative budget

11. The Board considered document FLD/B.3/2/Rev.1 titled “Report of the interim secretariat”.

12. The Board took note of the report.

Agenda item 5: Report of the Co-Chairs

(a) Activities of the Co-Chairs

13. The Co-Chairs provided an oral update of their activities during the period between the second and third meetings of the Board. The Co-Chairs engaged with the World Bank on operationalizing the Fund as a World Bank-hosted financial intermediary fund and presented their proposal on the matter (document FLD/B.3/7) to the Board under agenda item 9(a). They convened a session for engagement with civil society observers on 13 September 2024. The Co-Chairs also engaged with the Government of the Philippines in finalizing the arrangements for granting legal personality and legal capacity to the Board.

14. A representative of the interim secretariat provided an update on the work of the Co-Chairs and the interim secretariat in implementing the mandates from decision B2/D.9 in which the Board decided to select the Philippines as the host country of the Board of the Fund. The representative noted that negotiations with the Government of the Philippines were progressing well, with the President of the Republic of the Philippines having signed the Republic Act 12019 on 28 August 2024 granting judicial personality and legal capacity to the Board of the Fund and published this information in the official gazette of the Republic of the Philippines. The President of the Philippines also granted special authority to the Minister of the Department of Environment and Natural Resources to negotiate the host country agreement on behalf of the Government.

15. The Co-Chairs proposed that the Board consider the acronym of the name of the Fund. The Board agreed to use “FRLD” as the acronym of the Fund for responding to Loss and Damage.

Agenda item 6: Administrative budget of the new, dedicated and independent secretariat of the Fund

16. The Board considered document FLD/B.3/4/Rev.1 titled “Report of the ad hoc subcommittee on the administrative budget on matters relating to cost recovery of the World Bank”, circulated to the Board on a limited distribution basis.

17. Deliberations of the Board under this agenda item took place in closed session.

18. The Board adopted the following decision.

DECISION B.2/D.2: Report of the ad hoc subcommittee on the administrative budget on matters relating to cost recovery of the World Bank

The Board, having considered document FLD/B.3/4/Rev.1 titled “Report of the ad hoc subcommittee on the administrative budget on matters relating to cost recovery of the World Bank”:

(a) Welcomes the work of the ad hoc subcommittee on the administrative budget on matters relating to cost recovery of the World Bank;

(b) Takes note of the Report of the ad hoc subcommittee on the administrative budget on matters relating to cost recovery of the World Bank;

(c) Endorses the key principles contained in paragraphs 41–47 of document FLD/B.3/4/Rev.1;

(d) *Requests the Co-Chairs, in consultation with the ad hoc subcommittee on the administrative budget and assisted by the interim secretariat and the World Bank, to develop a plan for the transition from the interim secretariat to the new, dedicated and independent secretariat, and to present it for consideration by the Board no later than at the fourth meeting of the Board.*

Agenda item 7: Selection of the Executive Director for the Fund

19. The Board considered document FLD/B.3/5 titled “Report of the ad hoc subcommittee on the selection of the Executive Director of the Fund”, circulated to the Board on a limited distribution basis.

20. Deliberations under this item took place as executive sessions open only to members of the Board.

21. The Board selected Ibrahima Cheikh Diong for the post of Executive Director of the Fund for responding to Loss and Damage for a four-year term, and requested the World Bank to enter into the necessary contractual arrangements with the selected candidate as soon as possible.

22. The Board adopted the following decisions under this agenda item. Annex I referred to in the decision is included in annex II to this report.

DECISION B.3/D.3: Interim procedure for determining when all efforts at reaching consensus have been exhausted

The Board, having considered document FLD/B.3/5 titled “Report of the ad hoc subcommittee on the selection of the Executive Director of the Fund for responding to Loss and Damage”:

(a) *Adopts the interim procedure for determining when all efforts at reaching consensus have been exhausted as set out in annex I;*

(b) *Decides that, without prejudice to the procedures for determining when all efforts at reaching consensus have been exhausted that the Board will adopt pursuant to paragraph 26 of the Governing Instrument, and without setting a precedent, this interim procedure will only apply for the selection of the first Executive Director of the Fund.*

DECISION B.3/D.4: Selection of the Executive Director of the Fund

The Board, having considered limited distribution document FLD/B.3/5 titled “Report of the ad hoc subcommittee on the selection of the Executive Director of the Fund”:

(a) *Recalls decision B.2/D.8 on the selection of the Executive Director of the Fund;*

(b) *Welcomes the “Report of the ad hoc subcommittee on the selection of the Executive Director of the Fund”, presented in annex II to document FLD/B.3/5;*

(c) *Decides to select Ibrahima Cheikh Diong for the post of the Executive Director of the Fund for responding to Loss and Damage for a four-year term;*

(d) *Also decides that the Board will guide the selected Executive Director in developing, for its consideration and approval:*

(i) *A performance management, development and evaluation system, complete with annual objectives and results-based key performance indicators for the Executive Director no later than B.5;*

(ii) *An organizational structure and a plan to ensure an inclusive and diverse secretariat staff, with gender and geographical balance, including among the senior leadership and regional desks, to be selected through a merit-based, open and transparent process;*

(e) *Requests the Co-Chairs and the Executive Director, with the support of the World Bank, to develop and submit for consideration and approval by the Board a proposal for the performance management, development and evaluation system referred to in paragraph (d)(i) above;*

(f) *Further requests the World Bank to enter into the necessary contractual arrangements with the Executive Director as soon as possible.*

23. The Board adopted a decision, which will be included in a limited distribution addendum to this report:

DECISION B.3/D.5 on selection of the Executive Director of the Fund

Agenda item 8: Additional rules of procedure of the Board

24. The Board considered document FLD/B.3/6, titled “Additional rules of procedure of the Board”.

25. The co-chairs of the ad hoc subcommittee on the additional rules of procedure of the Board provided an update of the work of the subcommittee, highlighting progress thus far and the preparation of a new proposal from the subcommittee co-chairs which the subcommittee had discussed. The co-chairs noted that there remained areas on which the subcommittee had not yet reached convergence.

26. The Board took note of the report.

Agenda item 9: Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

(a) Hosting agreement between the Board of the Fund and the World Bank

27. The Board considered the following documents under this agenda item:

(a) FLD/B.3/7 titled “Co-Chairs’ proposal on the operationalization of the Fund as a World Bank-hosted financial intermediary fund”;

(b) FLD/B.3/Inf.4 titled “Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis.

28. Discussions under this agenda item took place in closed sessions.

(b) Trustee arrangements

29. The Board considered the following documents under this agenda item:

(a) FLD/B.3/7 titled “Co-Chairs’ proposal on the operationalization of the Fund as a World Bank-hosted financial intermediary fund”;

(b) FLD/B.3/Inf.5 titled “Trustee Agreement on the terms and conditions for the administration of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis;

(c) FLD/B.3/Inf.6 titled “Trust Fund Contribution Agreement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis;

(d) FLD/B.3/Inf.7 titled “Trust Fund Contribution Arrangement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis.

30. Discussions under this agenda item took place in closed sessions.

(c) Confirmation of the conditions stipulated in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 regarding the operationalization of the Fund as a World Bank-hosted financial intermediary fund for the interim period of four years, as set out in paragraph 17 of the same decisions

31. The Board considered the following documents under this agenda item:

(a) FLD/B.3/7 titled “Co-Chairs’ proposal on the operationalization of the Fund as a World Bank-hosted financial intermediary fund”;

(b) FLD/B.3/Inf.4 titled “Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis;

(c) FLD/B.3/Inf.5 titled “Trustee Agreement on the terms and conditions for the administration of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis;

(d) FLD/B.3/Inf.6 titled “Trust Fund Contribution Agreement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis;

(e) FLD/B.3/Inf.7 titled “Trust Fund Contribution Arrangement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”, circulated to the Board on a limited distribution basis.

32. Discussions under this agenda item took place in closed sessions.

33. Following consideration of the documents listed in paragraph 29 above, the Board decided to convey to the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) its confirmation that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met during the interim period.

34. The Board further confirmed its understanding that:

(a) Its partnership with the World Bank may need to evolve responsively to the operational model and modalities developed pursuant to the stipulations in the Governing Instrument of the Fund and in response to the Fund’s scale and maturity, and that the agreements with the World Bank may accordingly be amended as necessary;

(b) It is expected to adopt an operations manual detailing operating principles and guidelines for the operation of the Fund that will include among other things:

(i) Operational modalities that ensure that the Fund’s activities are guided by the country-ownership approach to programmes and projects articulated in the Governing Instrument;

(ii) Procedures for the monitoring and evaluation of performance and the financial accountability of activities financed by the Fund, and for any necessary external audits, in line with paragraph 22(m) of the Governing Instrument;

(c) Matters related to, among other things, the prevention and addressing of irregularities and fraud, the Board’s access to information and rules for the recovery of funds will be addressed in the Fund’s policies and the operations manual and reflected in the financial agreements with recipients, in a manner consistent with the Governing Instrument;

(d) It may adopt a communication strategy at a later stage to guide the secretariat’s communication activities;

(e) The provisions relating to representation at the COP and the CMA contained in paragraph 5.02(b) of the “Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage” are without prejudice to the adoption by the COP and the CMA of their draft arrangements with the Board;

(f) The World Bank in its engagement with the ad hoc subcommittee on the selection of the Executive Director for the Fund, as it may be constituted from time to time, does not exercise decision-making authority and acts in an advisory capacity;

(g) The secretariat will support and facilitate the work of the Board in connection with its decision-making, as set forth in section 3.01(a) of the “Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage,” and as may be further elaborated in the operations manual.

35. The Board agreed to launch an independent review of the performance of the World Bank as host of the Fund’s secretariat no later than the first meeting of the Board in 2027 and to report the outcomes of the review to the COP and the CMA not later than at their thirty-third and tenth sessions respectively, with a view to ensuring the business continuity of the Fund.

36. The Board requested the Co-Chairs to track and report to the Board in order to report to the COP and the CMA on progress towards meeting the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5.

37. The Board adopted the following decision under this agenda item:

DECISION B.3/D.6: Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

The Board, having considered documents:

FLD/B.3/7 titled “Co-Chairs’ proposal on the operationalization of the Fund as a World Bank-hosted financial intermediary fund”;

FLD/B.3/Inf.4 titled “Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage”;

FLD/B.3/Inf.5 titled “Trustee Agreement on the terms and conditions for the administration of the Trust Fund for the Fund for responding to Loss and Damage”;

FLD/B.3/Inf.6 titled “Trust Fund Contribution Agreement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”;

FLD/B.3/Inf.7 titled “Trust Fund Contribution Arrangement between the indicial contributors and the International Bank for Reconstruction and Development, serving as the interim trustee of the Trust Fund for the Fund for responding to Loss and Damage”;

(a) Confirms that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met during the interim period;

(b) Requests the Co-Chairs, assisted by the interim secretariat, to convey to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement the confirmation that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met during the interim period;

(c) Confirms its understanding that:

(i) Its partnership with the World Bank may need to evolve responsively to the operational model and modalities developed pursuant to the Governing Instrument of the Fund and in response to the Fund’s scale and maturity and that the agreements with the World Bank may accordingly be amended as necessary;

(ii) It is expected to adopt an operations manual detailing operating principles and guidelines for the operation of the Fund that will include among other things:

a. Operational modalities that ensure that the Fund’s activities are guided by the country-ownership approach to programmes and projects articulated in the Governing Instrument;

- b. Procedures for the monitoring and evaluation of performance and the financial accountability of activities financed by the Fund, and for any necessary external audits, in line with paragraph 22(m) of the Governing Instrument;*
- (iii) Matters related to, among other things, the prevention and addressing of irregularities and fraud, the Board's access to information and rules for the recovery of funds will be addressed in the Fund's policies and the operations manual and reflected in the financial agreements with recipients, in a manner consistent with the Governing Instrument;*
- (iv) It may adopt a communication strategy at a later stage to guide the secretariat's communication activities;*
- (v) The provisions relating to representation at the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraph 5.02(b) of the "Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage" are without prejudice to the adoption by the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement of their draft arrangements with the Board;*
- (vi) The World Bank in its engagement with the ad hoc subcommittee on the selection of the Executive Director for the Fund, as it may be constituted from time to time, does not exercise decision-making authority and acts in an advisory capacity;*
- (vii) The secretariat will support and facilitate the work of the Board in connection with its decision-making, as set forth in section 3.01(a) of the "Agreement on the hosting arrangements for the secretariat of the Fund for responding to Loss and Damage," and as may be further elaborated in the operations manual;*
- (d) Endorses the "Agreement on the hosting arrangement for the secretariat of the Fund for responding to Loss and Damage" to be entered into between the World Bank and the Board;*
- (e) Endorses the "Trustee Agreement on the terms and conditions for the administration of the Trust Fund for the Fund for responding to Loss and Damage" to be entered into between the World Bank and the Board;*
- (f) Endorses the templates of the "Trust Fund Contribution Agreement" and "Trust Fund Contribution Arrangement";*
- (g) Authorizes the Co-Chairs to sign on its behalf the "Agreement on the hosting arrangement for the secretariat of the Fund for responding to Loss and Damage" and the "Trustee Agreement on the terms and conditions for the administration of the Trust Fund for the Fund for responding to Loss and Damage;"*
- (h) Requests the Co-Chairs to track and report to the Board so that the Board can report to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on progress towards meeting the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5;*
- (i) Decides to launch, pursuant to paragraph 24 of decisions 1/CP.28 and 5/CMA.5, the independent assessment of the performance of the World Bank as host of the Fund's secretariat referred to in paragraph 23 of decisions 1/CP.28 and 5/CMA.5 no later than the first meeting of the Board in 2027 and to report the outcomes of the review to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement not later than at their thirty-third and tenth sessions respectively, with a view to ensuring the business continuity of the Fund.*

Agenda item 10: Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session

38. The Board considered document FLD/B.3/8, titled “Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session”.

39. The Board agreed that the report would focus on factual representation of its work, and to remove paragraphs elaborating on discussions of the Board.

40. The Board also agreed to update the information provided on pledges to the Fund, and to present an aggregated total of pledges to the Fund in United States dollar equivalent.

41. The Board adopted the report subject to the changes to be made as agreed, and requested the Co-Chairs, assisted by the interim secretariat, to submit the report to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

42. The Board also requested the Co-Chairs, assisted by the interim secretariat, to develop an addendum to the report capturing the progress and decisions made during the third meeting of the Board and submit the addendum to the secretariat of the UNFCCC and the Paris Agreement.

43. The Board adopted the following decision under this agenda item. Annex II referred to in the decision is included in annex III to this report.

DECISION B.3/D.7: Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session

The Board, having considered document FLD/B.3/8 titled “Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session”:

(a) *Adopts the Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session as presented in annex II, and requests the Co-Chairs, assisted by the interim secretariat, to submit the report to the secretariat of the Convention and the Paris Agreement;*

(b) *Requests the Co-Chairs, assisted by the interim secretariat, to develop an addendum to the “Report of the Board to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session” capturing the progress and decisions made during the third meeting of the Board and submit the addendum to the secretariat of the Convention and the Paris Agreement.*

Agenda item 11: Arrangements for establishing and operationalizing the annual high-level dialogue

44. The Board considered documents FLD/B.3/9 titled, “Concept note: Annual high-level dialogue on complementarity and coherence” and document FLD/B.3/10 titled, “Background paper on dates and venues for the first annual high-level dialogue on complementarity and coherence”.

45. In the discussions that ensued, Board members highlighted issues for consideration regarding the content and scheduling of the dates and venues of the first dialogue. One Board member noted the need to consider the outcome of any joint statement envisaged to come out of the launch event, suggesting that the statement capture the long-term priorities and vision for the annual high-level dialogue.

46. One Board member noted that the concept note presented to the Board stated the title of the event differently from that of the decisions of the COP and the CMA, and requested that this be rectified.

47. Another Board member highlighted the need to take into consideration the availability of the United Nations Secretary-General, as co-convenor of the dialogue when scheduling the first high-level dialogue in the first half of 2025. Another Board member noted potential overlap with other events and the need to ensure proper representation. Board members concurred on the need to summarize key messages from the event.

48. Following revisions made on the basis of these discussions, the Board adopted the revised concept note for the high-level launch event, as included in annex IV to this document.

49. The Board adopted the following decision under this agenda item. Annex III referred to in the decision is included in annex IV to this report.

DECISION B.3/D.8: Arrangements for the launch event for the annual high-level dialogue and for the first annual high-level dialogue

The Board, having considered document FLD/B.3/9, titled “Concept note: Annual high-level dialogue on complementarity and coherence”:

(a) *Endorses the concept note on the launch event for the annual high-level dialogue on coordination and complementarity, co-hosted by the Republic of Azerbaijan as the COP 29 Presidency and the Board of the Fund for responding to Loss and Damage, as contained in annex III;*

(b) *Requests the interim secretariat, in coordination with the COP 29 Presidency and the Co-Chairs, as co-hosts, to issue invitations to the launch event of the annual high-level dialogue to selected participants and selected speakers from the entities listed in decisions 1/CP.28 and 5/CMA.5, annex II, paragraph 14;*

(c) *Also requests the interim secretariat, under the guidance of the Co-Chairs, and in collaboration with the COP 29 Presidency, to organize the launch event, on the basis of the concept note, on the margins of the World Leaders Climate Action Summit to be held in Baku, Azerbaijan;*

(d) *Decides that the first annual high-level dialogue will be held on the margins of the 2025 Spring Meetings of the International Monetary Fund and the World Bank Group;*

(e) *Requests the interim secretariat, in coordination with the Office of the United Nations Secretary-General and the Co-Chairs, to undertake the necessary preparations for the first annual high-level dialogue;*

(f) *Also requests the interim secretariat, under the guidance of the Co-Chairs and in consultation with the Office of the United Nations Secretary-General, to prepare a concept note for the first high-level dialogue, to be presented at the fourth meeting of the Board.*

Agenda item 12: Dialogue with civil society

50. No document was issued under this item.

51. The Co-Chair reiterated the Board’s commitment to including the voices of civil society during Board proceedings, referencing the interim arrangement that allows one representative from each of the nine UNFCCC observer constituencies to observe open sessions of the Board meeting in the Board room¹.

52. The Co-Chairs noted that due to the sensitive nature of the matters under consideration, several agenda items for Board discussion were conducted in closed sessions. The Co-Chairs had hosted a virtual informal meeting ahead of B.3 with UNFCCC observer

¹ Decision B.2/D.12, para. (d)

constituencies to provide opportunity for civil society to express views on key agenda items for B.3.

53. The Co-Chairs invited civil society representatives to present their perspectives, particularly on observer-related items on the B.4 agenda and the business model of the Fund.

54. An observer representative on behalf of the constituency of environmental non-governmental organizations (ENGOS) stressed the need for transparency regarding the hosting arrangement with the World Bank, citing the right of the public to know and expressed concern about past failures of the World Bank in serving vulnerable communities. They questioned the ability of the World Bank to meet the requirements of the Fund and how the Board was assessing this, seeking clarity on the timeline for decisions and the impact of the hosting arrangement on the independence of the secretariat. They urged that new secretariat staff be hired externally to avoid replicating the approach of the World Bank. Concerns were also raised about cost recovery for secretariat services, particularly the risk of unscheduled fee increases during the interim period, and the potential bias of higher trustee service fees against community grants. They requested ongoing updates on these discussions.

55. The Co-Chairs assured that documentation on discussions with the World Bank would be made available as soon as they were concluded.

56. The representative from the trade unions non-governmental organizations highlighted that the objectives of the high-level dialogue, as outlined in document FLD/B.3/9, were overly broad to be effectively addressed within a single meeting. They emphasized the importance of establishing a clear vision for the Fund to meet the growing needs of communities facing the climate emergency. They urged the Board to prioritize five key areas: defining the vision of the Fund, assessing the financial landscape, mobilizing strategies to address funding gaps, enabling direct budgetary support, and enhancing community access to the Fund. They further noted that similar high-level dialogues in the past lacked tangible outcomes, underscoring the need for strong political leadership and strategic planning to ensure the Fund effectiveness of the Fund. In addition, they advocated for the inclusion of civil society and observer participation in the concept note of the high-level dialogue.

57. The representative of the women and gender constituency addressed the Board on enhancing observer engagement and improving the additional rules of procedure. They raised concerns about limited transparency at B.3, citing extensive closed sessions and restricted access to documents, and emphasized the need for greater transparency, accountability, and active observer participation in Board proceedings. The representative also underscored the importance of financial support for observers from developing countries and advocated for a standard hybrid meeting format to lower participation barriers. They further called for the translation of key documents and decisions into all six United Nations languages to ensure accessible engagement for all linguistic backgrounds and affected communities. Additionally, they advocated for active observers to receive Board meeting documents concurrently with Board members, and have their comments promptly circulated. They also urged the inclusion of observer representatives in committees, panels, and expert bodies, as well as in decision-making processes between meetings, allowing active observers to consult their constituencies and submit comments before decisions are adopted on a no-objection basis.

58. A representative of the ENGO constituency emphasized the importance of addressing key issues at the fourth Board meeting, including observer-related policies, additional rules of procedure and access modalities, which were deferred from the third Board meeting. They requested early clarification on the B.4 agenda to facilitate the preparation of their proposals. The representative expressed particular interest in access modalities that would ensure both community access to funding and direct budgetary support for governments, enabling effective response to the climate crisis.

59. The representative of the children and youth constituency emphasized two critical elements for the success of the Fund, namely accessibility for front-line organizations in the most affected countries, and pledges that adequately reflect historical responsibilities. They underscored that a portion of the Fund should be concentrated towards supporting youth and community-led initiatives, ensuring that it remains accessible and equitable, especially for countries with smaller environmental footprints. Highlighting the efforts of youth

philanthropists and non-state actors already addressing loss and damage, they proposed scaling up these initiatives. Regarding financial needs, the representative expressed concern that the pledges made at COP 28 were insufficient, covering less than 0.2 per cent of the required funds. The representative urged early discussions on resource mobilization, supporting proposals such as the call at the 2023 G20 meeting for increased taxes on the wealthy to finance climate initiatives. They emphasized that funding must be new, adequate, and grant-based, avoiding additional debt burdens, in alignment with the principle of common but differentiated responsibilities. They also endorsed the plan to commence fund disbursement by early 2025, ensuring accessibility for all affected countries and communities.

60. The representative of the farmers and agriculture constituency highlighted that agriculture accounted for 26 per cent of total loss and damage between 2008 and 2018, with droughts, floods, and storms costing the sector USD 77 billion. They emphasized the need for farmers to be prioritized in loss and damage discussions and called for their active involvement in the governance of the Fund to ensure resources are allocated effectively and align with needs on the ground. They outlined their key priorities as establishing the farmers constituency as an active observer, designating a farmer representative to participate in Board meetings, and providing direct access to funds for farmers through their organizations and cooperatives. They expressed concern that farmers were not explicitly listed among active observers under paragraph 20 of the Governing Instrument, despite being among those most affected by climate change. They reaffirmed commitment to supporting and working with the Board of the Fund for Responding to Loss and Damage.

61. The representative of the local government and municipal authorities constituency emphasized the critical role of local government in addressing climate impacts, as the closest level of government to communities and front-line responders. They highlighted that 80 per cent of the world's fastest-growing cities at extreme risk due to climate change were in Asia and Africa, where most urban expansion will occur in the coming decades. These cities could face up to 8 million climate migrants if climate goals are not met. The speaker stressed the need for the Fund to provide direct financial access to these vulnerable urban areas and to ensure active participation of local governments in Fund governance. They advocated for ensuring the inclusion of local actors including subnational governments under active observer modalities; establishing fit-for-purpose direct access for subnational entities and examination of critical urban issues such as displacement and health impacts related to loss and damage.

62. Following these interventions, Board members thanked the observers for their input and expressed shared urgency in advancing the Fund objectives of the Fund, emphasizing the need for transparency, accountability, and inclusive observer engagement in governance processes. They acknowledged achievements, including initial pledges, while recognizing the need to scale up funding, and alignment with community needs. Board members encouraged observers to provide specific input on access modalities, stakeholder engagement, and resource mobilization strategies to strengthen the business model of the Fund and ensure that it meets the needs of the most affected. Some Board members highlighted the importance of a streamlined accreditation process, effective environmental and social safeguards, and hybrid meeting formats to facilitate broad participation. The Board welcomed evidence-based proposals, particularly from underrepresented regions, and urged early and ongoing consultations to effectively incorporate civil society views. They underscored the importance of establishing a clear vision through upcoming dialogues and aligning policies to ensure the Fund remains responsive, equitable, and efficient. Board members agreed on the importance of enhancing observer engagement and sought suggestions on how to refine the observer policy and integrate feedback into the decision-making process.

Agenda item 13: Dates and venues of future meetings

63. The Board confirmed its decision to hold its fourth meeting from Monday, 2 December to Thursday, 5 December 2024 and decided on Manila, the Philippines, as the location.

64. The Board considered a proposal from the Co-Chairs on potential dates for its meetings in 2025. The Board member from Barbados expressed their wish to host the fifth meeting of the Board in Barbados. The Board member from Zambia conveyed interest in hosting the sixth meeting in Livingstone, Zambia. The Board member from Timor Leste conveyed interest from Nepal in hosting the seventh meeting of the Board in Kathmandu.

65. The Board member from the Philippines stressed that, as the country providing legal capacity and legal personality to the Board, the Philippines was prepared to hosting four Board meetings a year and emphasized that at least two meetings each year be hosted in the Philippines as the host country of the Board.

66. The Co-Chairs noted the need for offers to host Board meetings to be formally communicated to the Board in writing by a senior official such as a minister.

67. The Board decided to host its first meeting of 2025 in Barbados, two of its meetings in 2025 in the Philippines, and that subsequent meetings outside of the host country will take place in the Republic of Zambia (2026), followed by Nepal (2027).

68. On the basis of this discussion, the Board adopted a calendar of meetings for 2025 as follows:

- (a) Fifth meeting from 8 to 10 April 2025 in Barbados;
- (b) Sixth meeting from 9 to 11 July 2025 in the Philippines;
- (c) Seventh meeting from 8 to 10 October 2025 in the Philippines;

69. The Board adopted the following decision under this agenda item:

DECISION B.3/D.9: Dates and venues of future meetings

The Board:

(a) Expresses its gratitude to the Government of Azerbaijan for hosting the third meeting of the Board and for the hospitality and warmth extended to the participants;

(b) Welcomes the offers from the governments of Barbados, Nepal and Zambia to host the meetings of the Board;

(c) Confirms decision B.1/D.15 through which the Board decided to hold its fourth meeting from Monday, 2 December to Thursday, 5 December 2024;

(d) Decides to hold its fourth meeting in Manila, the Philippines;

(e) Also decides to hold its fifth meeting in Barbados from 8 to 10 April 2025;

(f) Further decides to hold its sixth meeting in the Philippines from 9 to 11 July 2025;

(g) Decides to hold its seventh meeting in the Philippines from 8 to 10 October 2025;

(h) Also decides that the next meetings outside the host country will take in place in Zambia (2026) followed by Nepal (2027).

Agenda item 14: Other matters

70. The Co-Chairs noted that Board members did not raise any matters under this agenda item.

Agenda item 15: Closure of the meetings

71. The Co-Chairs noted that the compendium of decisions would be circulated to the Board as soon as possible for Board members to review.

72. In closing, the Co-Chairs summarized the milestones achieved by the Board at its third meeting, highlighting the outcomes and decisions taken. These include selecting a candidate for the post of Executive Director of the Fund; confirming that the conditions from the COP and the CMA in relation to establishing the Fund as a World Bank-hosted financial intermediary fund can be met during the interim period; and adopting a package of related documents, including the hosting agreement and the trustee agreement with the World Bank, and templates for the contribution agreements and contribution arrangements. The Board also endorsed the first report of the Board to the COP/CMA; the concept note of the first annual high-level dialogue; took note of the progress on the work on developing the additional rules of procedure of the Board; and adopted dates and venues for its meetings in 2025. The Government of Philippines had enacted legislation to give legal personality and legal capacity to the Board.

73. Furthermore, three dialogues had been convened with civil society observers, a policy on civil society observers was in the process of formalization; and draft arrangements between the Board of the Fund and the COP and the CMA had been approved.

74. The discussions with the World Bank had laid the foundations upon which to deliver on issues such as direct access. Valuable lessons had been learned about Board governance and in taking difficult decisions effectively while giving comfort to all Board members.

75. In conclusion, the Co-Chairs summarized that the Board had successfully delivered on all of its mandates from the COP and the CMA for 2024, sending a positive message to COP 29 in Baku, Azerbaijan. The Co-Chairs congratulated the Board on their hard work and achievements of the six months of its meetings and expressed their eagerness to commence work with the Executive Director on operational aspects at the fourth Board meeting.

76. The Co-Chairs expressed gratitude to the Government of Azerbaijan for the hospitality extended, as well as the interim secretariat, the volunteers and the Board members for their hard work and spirit of cooperation.

77. The Co-Chairs closed the third meeting of the Board of the Fund for responding to Loss and Damage at 6.26 p.m. (UTC+4), on Friday, 20 September 2024, in Baku, Azerbaijan.

Annex I

List of members and alternate members of the Board participating in the third meeting of the Board

I. Board members

<i>Constituency</i>	<i>Board member</i>
Developed countries	Laurence Ahoussou (Canada)
Developed countries	Antonella Baldino (Italy)
Developed countries	Georg Børsting (Norway)
Developed countries	José Delgado (Austria)
Developed countries	Jean-Christophe Donnellier (France) (Co-Chair)
Developed countries	Jens Fugl (Denmark)
Developed countries	Gerard Howe (United Kingdom)
Developed countries	Jan Dusik (European Union)
Developed countries	Hiroki Matsui (Japan)
Developed countries	Rebecca Lawlor (United States)
Developed countries	Sebastian Lesch (Germany)
Developed countries	Ana Paula Rodrigues (Portugal)
Asia-Pacific States	Hana AlHashimi (United Arab Emirates)
Asia-Pacific States	Mohammad Ayoub (Saudi Arabia)
Asia-Pacific States	Mark Dennis Y.C. Joven (Philippines)
African States	David Kaluba (Zambia)
African States	Richard Sherman (South Africa) (Co-Chair)
Latin American and Caribbean States	Elena Pereira (Honduras)
Latin American and Caribbean States	Henrietta Elizabeth Thompson (Barbados)
Small island developing States	Peter Abraham Jr (Antigua and Barbuda)
Small island developing States	Daniel Lund (Fiji)
Least developed countries	Djibril Ibila (Benin)

II. Alternate Board members

<i>Constituency</i>	<i>Board member</i>
Developed countries	Ben Abraham (New Zealand)
Developed countries	Georges Gehl (Luxembourg)
Developed countries	Claire Holzer Fleming (United Kingdom)
Developed countries	Takuro Itoigawa (Japan)
Developed countries	Lauren Gislås (Norway)
Developed countries	Antoine Bergerot (France)
Developed countries	Anna Merrifield (Finland)
Developed countries	Alexandria Miskho (United States)
Developed countries	Ronan Sweeney (Ireland)
Asia-Pacific States	Gholamhossein Darzi (Iran)
Asia-Pacific States	Ali Tauqeer Sheikh (Pakistan)
Asia-Pacific States	Shattyk Tastemirova (Kazakhstan)
African States	Selam Kidane Abebe (Ethiopia)
Latin American and Caribbean States	Anthony Ferguson (Bahamas)
Latin American and Caribbean States	Victoria Gandini (Argentina)
Small island developing States	Laura Elizabeth Agathine (Seychelles)
Small island developing States	Ahmed Waheed (Maldives)
Least developed countries	Maheshwar Dhakal (Nepal)
Least developed countries	Madeleine Diouf Sarr (Senegal)

Annex II

Interim procedure for determining when all efforts at reaching consensus have been exhausted

1. Following bilateral confidential consultations with each Board member, if the Co-Chairs, acting jointly and in good faith, determine that consensus may still be possible, they will propose the following procedure for exhausting consensus to take place in the form of written confidential balloting for the Board's consideration.
2. Once the Board so decides, the Co-Chairs will announce the start of the balloting process, including the suspension of webcasting.
 - (a) Each Board member shall be entitled to one ballot. Co-Chairs retain their right to participate in the balloting process. Only members entitled to cast a ballot will be present in the boardroom. All Board members present in the boardroom shall participate in the balloting process and be entitled to one ballot in each round of balloting;
3. For Board seats where the Board member is absent, pursuant to paragraph 18 of the Governing Instrument, the alternate member shall be entitled to take part in the balloting process.
2. The Co-Chairs will apply the following formula:
 - (a) The selection of the candidate who receives two-thirds of the ballots cast in a single round will be put forth for decision by the Board by consensus as referred to in paragraph 8 below;
 - (b) If no candidate receives two-thirds of the ballots cast in the first three rounds, after the fourth round the candidate with the least number of ballots will be dropped;
 - (c) The balloting will resume with the two remaining candidates for no more than a further three rounds;
 - (d) At the outcome of these three rounds (the fifth, sixth and seventh), if no candidate has received two-thirds of the ballots, the Co-Chairs may decide to suspend the balloting process for further consultations and propose a way forward to the Board.
3. Board members will be requested to leave any electronic devices at the designated table in the Board room during the secret balloting process. No interruption will be allowed during the balloting process.
4. The balloting process will be supported by a limited number of interim secretariat staff and the ballots cast will be counted by two members of the interim secretariat designated jointly by the Co-Chairs. "Empty" ballots will not count for determining the outcome of the process.
5. The Co-Chairs will announce the number of ballots received for each candidate after each round of balloting.
6. After the final outcome of the confidential balloting has been announced, Board members may make a brief statement should they wish to. Statements made at this stage of the process are for the benefit of the Board and will not be recorded in the report of the meeting, unless the Board member requests otherwise.
7. The final outcome of the balloting process will be confirmed in a Board decision adopted by consensus.

Annex III

Report of the Board of the Fund for responding to Loss and Damage to the Conference of the Parties at its twenty-ninth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session

I. Introduction

A. Mandate and background

1. By approving the Governing Instrument of the Fund for responding to Loss and Damage,¹ COP 28 and CMA 5 operationalized the Fund, to be serviced by a new, dedicated and independent secretariat, and governed and supervised by a Board, designating it as an entity entrusted with the operation of the Financial Mechanism of the Convention, also serving the Paris Agreement, which will be accountable to and function under the guidance of the COP and the CMA.²

1. According to paragraph 13 of the Governing Instrument of the Fund, the Board of the Fund will:

(a) Receive guidance from the COP and the CMA on its policies, programme priorities and eligibility criteria;

(b) Take appropriate action in response to the guidance received from the COP and the CMA;

(c) Submit annual reports to the COP and the CMA for their consideration.

2. 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.³

3. COP 28 and CMA 5 decided that the Board will be conferred with the 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, and requested the Board to select the host country of the Board through an open, transparent and competitive process, with the host country conferring to the Board the legal personality and the legal capacity as necessary for discharging its roles and functions.⁴

4. COP 28 and CMA 5 invited the World Bank, subject to certain conditions,⁵ to operationalize the Fund as a World Bank hosted financial intermediary fund for an interim period of four years, starting from the sessions of the COP and the CMA at which the Board confirms that the conditions referred to in paragraph 20 of decisions [1/CP.28](#) and [5/CMA.5](#) can be met, with the Fund to be serviced by a new, dedicated and independent secretariat hosted by the World Bank.⁶

5. COP 28 and CMA 5 decided that, if the Board determines that the relevant financial intermediary fund documentation,⁷ approved by the World Bank Board of Directors, does not ensure that the conditions set out in paragraph 20 of decisions [1/CP.28](#) and [5/CMA.5](#) can

¹ Decisions [1/CP.28](#), para. 2, and [5/CMA.5](#), para. 2. The Governing Instrument of the Fund is contained in annex I to those decisions.

² Decisions [1/CP.28](#), paras. 3–5, and [5/CMA.5](#), paras. 3–5.

³ Decisions [1/CP.28](#), para. 11, and [5/CMA.5](#), para. 11.

⁴ Decisions [1/CP.28](#), paras. 15–16, and [5/CMA.5](#), paras. 15–16.

⁵ Set out in decisions [1/CP.28](#), paras. 20–24, and [5/CMA.5](#), paras. 20–24.

⁶ Decisions [1/CP.28](#), para. 17, and [5/CMA.5](#), para. 17.

⁷ Referred to in decisions [1/CP.28](#), para. 19, and [5/CMA.5](#), para. 19.

be met during the interim period, the COP and the CMA, on a recommendation of the Board of the Fund, will 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 of the Fund 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

6. COP 28 and CMA 5 also decided that the Board will provide guidance to the World Bank as it takes the necessary steps to establish the Fund as a financial intermediary fund.⁹

B. Scope

7. This report provides information on progress in operationalizing the Fund for responding to Loss and Damage, particularly on the action taken by the Board of the Fund in response to decisions [1/CP.28](#) and [5/CMA.5](#), as well as recommendations for consideration at COP 29 and CMA 6, as appropriate. Unless otherwise specified, the reporting period is 1 January to 31 August 2024.

8. Action taken by the Board of the Fund in response to provisions of decisions [1/CP.28](#) and [5/CMA.5](#), which COP 29 and CMA 6 may wish to take note of, is presented in appendix II.

II. Work of the Board during the reporting period

9. The Board of the Fund for responding to Loss and Damage held two in-person meetings, with a further two meetings scheduled for the second half of 2024. Progress and decisions made at the third meeting of the Board are covered in the addendum to this report.¹⁰ Agendas and meeting documents, including background papers and meeting reports, are made available on the web pages¹¹ of the interim secretariat for the Fund (see para. 17 below).

10. The Board adopted a calendar of meetings for 2024 (see table 1).

Table 1

Meetings of the Board of the Fund for responding to Loss and Damage in 2024

<i>Meeting</i>	<i>Dates</i>	<i>Location</i>
First meeting	30 April to 2 May	Abu Dhabi, United Arab Emirates
Second meeting	9–12 July	Songdo, Republic of Korea
Third meeting	18–20 September	Baku, Azerbaijan
Fourth meeting	2–5 December	Manila, Philippines

11. A list of the current members and alternate members of the Board is contained in appendix I.

A. Election of the Co-Chairs of the Board

12. At its first meeting, the Board elected by consensus Jean-Christophe Donnellier (France, developed countries) and Richard Sherman (South Africa, developing countries) as its Co-Chairs.¹²

⁸ Decisions [1/CP.28](#), para. 22, and [5/CMA.5](#), para. 22.

⁹ Decisions [1/CP.28](#), para. 25, and [5/CMA.5](#), para. 25.

¹⁰ [FCCC/CP/2024/9/Add.1–FCCC/PA/CMA/2024/13/Add.1](#).

¹¹ <https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat#Meetings-and-events>.

¹² In accordance with para. 23 of the Governing Instrument of the Fund.

B. Pledges to the Fund for responding to Loss and Damage

13. Table 2 provides information on pledges made to the Fund. As at 24 September 2024, a total of USD 702.01 million had been pledged by 23 contributors.

Table 2

Pledges made to the Fund for responding to Loss and Damage as at 24 September 2024

<i>Contributor</i>	<i>Amount pledged (million)</i>	<i>Amount pledged (USD million)ⁱ</i>
Austria	EUR 10.00	11.15
Canada	CAD 16.00	11.88
Denmark	DKK 175.00	26.18
Estonia	EUR 0.05	0.06
European Union	EUR 25.00	27.89
Finland	EUR 3.00	3.35
France	EUR 100.00	111.55
Germany	USD 100.00	100.00
Iceland	USD 0.60	0.60
Ireland	EUR 25.00	27.89
Italy	EUR 100.00	111.55
Japan	USD 10.00	10.00
Luxembourg	EUR 8.00	8.92
Netherlands (Kingdom of the)	EUR 15.00	16.73
Norway	USD 25.00	25.58
Portugal	EUR 5.00	5.58
Republic of Korea	USD 7.00	7.00
Slovenia	EUR 1.50	1.67
Spain	EUR 20.00	22.31
United Arab Emirates	USD 100.00	100.00
United Kingdom of Great Britain and Northern Ireland	GBP 40.00	53.52
United States of America	USD 17.50	17.50
Walloon Region of Belgium	EUR 1.00	1.12
Total	–	702.01

ⁱ On the basis of World Bank exchange rates as at 26 September 2024.

14. When serving as the interim secretariat for the Fund, the UNFCCC secretariat received on 1 March 2024 a contribution of USD 10 million from Japan for commencing the operationalization of the Fund.

C. Workplan of the Board

15. At its second meeting, the Board adopted its workplan for 2024–2025.¹ The workplan is aimed at implementing the provisions of the Governing Instrument of the Fund with a view to approving funding decisions as soon as possible, and at developing operational procedures and policies for delivering on the mandate of the Fund and ensuring appropriate safeguards.

¹ Board decision B.2/D.10; the workplan is contained in annex VII to Board document FLD/B.2/17.

D. Establishment and work of the interim secretariat for the Fund

16. COP 28 and CMA 5 established an interim secretariat for the Fund to provide support, including administrative support, to the Board during the transitional period until the independent secretariat referred to in paragraph 1 above is established, and requested the secretariats of the UNFCCC and the Green Climate Fund and invited the United Nations Development Programme to jointly form this secretariat.²

17. Prior to the first meeting of the Board and the election of its Co-Chairs, the interim secretariat undertook work to advance its mandate, such as conducting informal consultations with nominated members of the Board in preparation for its first meeting, including in relation to the agenda, background papers and work required to operationalize the Fund; regularly engaging with the World Bank on matters relating to operationalizing the Fund as a World Bank hosted financial intermediary fund, including by organizing informal briefings between the nominated members of the Board and the World Bank secretariat; and organizing two information sessions on preparations for upcoming Board meetings with representatives of the nine UNFCCC observer constituencies and United Nations and intergovernmental organizations. The interim secretariat also began working with the Executive Office of the Secretary-General of the United Nations on arrangements for holding the first annual high-level dialogue on coordination and complementarity.³

18. The interim secretariat launched web pages⁴ for the Fund in December 2023, which provide stakeholders with up-to-date information on the Fund.

19. Furthermore, the interim secretariat provided logistical and substantive support to the Board related to convening and conducting its first and second meetings, and to preparing for its third meeting, including by preparing background documents on meeting topics.

E. Budget of the Board and the interim secretariat

20. At its first meeting, the Board considered and approved the draft budget for supporting its work and the work of its interim secretariat for 1 January to 31 December 2024 (see appendix III).⁵ The budget for the Board amounts to USD 162,168 and the administrative budget for the interim secretariat amounts to USD 2,627,177, with an allocated contingency budget of USD 914,262 for expenditure that may be incurred or planned for by the Board or the interim secretariat. The approved budget covers the logistics for Board and related meetings; the administrative costs of the interim secretariat, including for staff, consultants, travel and daily subsistence allowances, and general operating costs; and contingencies.

21. The Board requested the interim secretariat, in consultation with the ad hoc subcommittee on the administrative budget, to seek its approval for additional budget as necessary, recognizing that the programme for work under the Fund is to be further developed. Once the independent secretariat has been established at the end of the transitional period, any unused funds will be transferred to that secretariat or the trustee of the Fund.

F. Ad hoc subcommittees of the Board

22. The Board established several subcommittees,⁶ as outlined below.

23. The **ad hoc subcommittee on additional rules of procedure of the Board**, established by the Board at its first meeting to assist it in developing additional rules of procedure,⁷ met seven times during the reporting period. Anna Merrifield (Finland) and Elena Pereira (Honduras) were elected as the first co-chairs of the subcommittee through a no-objection procedure following its second meeting. Following the sixth subcommittee meeting, which took place at the second meeting of the Board, Claire Holzer Fleming (United

² Decisions [1/CP.28](#), para. 26, and [5/CMA.5](#), para. 26.

³ See chap. II.B of annex II to decisions [1/CP.28](#) and [5/CMA.5](#).
<https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat>.

⁴ See Board decision B.1/D.11, para (a).

⁶ In accordance with para. 22(h) of the Governing Instrument of the Fund.

⁷ In accordance with para. 31 of the Governing Instrument of the Fund.

Kingdom of Great Britain and Northern Ireland) was elected as co-chair, replacing Anna Merrifield.

24. The co-chairs of the subcommittee noted at the second meeting of the Board that certain definitions and procedural matters had not yet been agreed upon, and invited the Board to consider allowing it additional time to hold further consultations with and seek guidance from the Board with a view to resolving outstanding issues and refining the draft rules of procedure in accordance with its mandate. The Board agreed to do so.

25. The **ad hoc subcommittee on the selection of the host country of the Board**, established by the Board at its first meeting,⁸ met twice between the first and second meetings of the Board. Gerard Howe (United Kingdom) and Daniel Lund (Fiji) were elected as the co-chairs. The co-chairs presented the report⁹ of the subcommittee to the Board at its second meeting. The subcommittee was dissolved at the second meeting of the Board following the completion of its mandated tasks.¹⁰

26. The **ad hoc subcommittee on the administrative budget**, established by the Board at its first meeting to support it in discharging its functions pursuant to paragraphs 22(n) and 35(e) of the Governing Instrument of the Fund, met seven times during the reporting period. Peter Abraham (Antigua and Barbuda) and José Delgado (Austria) were elected as the co-chairs.

27. The subcommittee reviewed the administrative budget proposals of the interim secretariat and the periodic budget execution reports.

28. At its second meeting, the Board noted the need to determine an approach to the cost recovery of the World Bank for its provision of services related to operationalizing the Fund as a World Bank hosted financial intermediary fund, and requested the co-chairs of the subcommittee, with the support of the interim secretariat, to engage with the World Bank to produce two reports for consideration by the Board: one on the cost recovery of the World Bank with respect to the services to be provided in hosting the independent secretariat of the Fund and as the trustee of the Fund, and one on cost recovery with respect to services that the World Bank may provide, as decided by the Board, during the transitional period of the Fund until the hosting agreement for the independent secretariat is signed and becomes effective, and the World Bank assumes the trustee function, and on the necessary arrangements for reporting by the World Bank for such cost recovery.¹¹ A report covering these matters was to be submitted to the Board for consideration at its third meeting.

29. The **ad hoc subcommittee on the selection of the Executive Director for the Fund**, established by the Board at its first meeting,¹² met four times during the reporting period. Henrietta Elizabeth Thompson (Barbados) was elected as chair of the subcommittee, with Laurence Ahoussou (Canada) subsequently elected as co-chair.

30. On the basis of the proposals of the subcommittee,¹³ the Board approved at its second meeting the terms of reference for the role of Executive Director of the Fund and the selection process, and endorsed the terms of reference for a human resources search firm to support the work of the subcommittee.¹⁴

G. Draft arrangements between the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the Board

31. COP 28 and CMA 5 decided that arrangements with the Fund, consistently with the Governing Instrument of the Fund and to ensure that the Fund is accountable to and functions under the guidance of the COP and the CMA, are to be approved at COP 29 and CMA 6. The

⁸ See Board decision B.1/D.5, para (a).

⁹ See Board document FLD/B.2/7.

¹⁰ See Board decision B.1/D.6, para. (a).

¹¹ See Board decision B.2/D.10, paras. (d–e).

¹² See Board decision B.1/D.12.

¹³ Contained in Board document FLD/B.2/6.

¹⁴ Contained in annexes IV–VI to Board document FLD/B.2/17.

Standing Committee on Finance was requested to develop those arrangements, to be concluded between the COP, the CMA and the Board of the Fund.¹⁵

32. At its second meeting, the Board considered and approved the draft arrangements between the COP, the CMA and the Board developed by the Standing Committee on Finance (contained in appendix IV) for consideration and approval at COP 29 and CMA 6.¹⁶

33. The Board approved the draft arrangements with the understanding that the COP and the CMA will separately adopt a decision thereon.

H. Selection of the Executive Director of the Fund

34. At its second meeting, the Board noted that the procurement of the human resources search firm for supporting the work of the ad hoc subcommittee on the selection of the Executive Director of the Fund (see para. 29 above) will be carried out by the World Bank, and the costs associated with this procurement and with the recruitment of the Executive Director will be incurred by the World Bank and subject to cost recovery, as per the hosting agreement between the Board and the World Bank.

35. The World Bank subsequently engaged the services of Korn Ferry, a human resources search firm, to support the Board in its search for a suitable candidate for the role of Executive Director of the Fund. The firm published the vacancy notice, which remained open for applications until 30 August 2024.

I. Selection of the host country of the Board

36. At its first meeting, the Board adopted the terms of reference for selecting the host country of the Board, which include criteria for evaluating proposals against the terms of reference, and agreed on the indicative timeline, process and next steps for the selection,¹⁷ noting that the terms of reference only consider a scenario in which the conditions outlined in paragraphs 21–24 of decisions [1/CP.28](#) and [5/CMA.5](#) are not met.

37. Following a call for proposals from Parties interested in hosting the Board, thereby conferring it with legal personality and legal capacity, issued by the Co-Chairs of the Board, the interim secretariat received eight submissions.¹⁸

38. The ad hoc subcommittee on the selection of the host country of the Board prepared a technical report, for consideration by the Board at its second meeting,¹⁹ aimed at enhancing understanding of the content of the submissions received, including through the inclusion of additional information on independent metrics to help readers to differentiate further between the proposals.

39. At the second meeting of the Board, the Philippines was selected as the host country of the Board, subject to the commitments in its proposal being met. At the same meeting, the Board requested its Co-Chairs to conduct negotiations with the Government of the Philippines with a view to finalizing the host country agreement between the Philippines and the Board, keeping the Board informed of progress, and authorized the Co-Chairs to sign the agreement on its behalf.

40. In the light of this request, the Co-Chairs entered into negotiations, with the support of the interim secretariat, and provided guidance to the Government of the Philippines with a view to ensuring that the agreement aligns with the Governing Instrument of the Fund, mandates from other documents and the requirements of the Board. On 28 August 2024, the President of the Philippines signed act 12019 granting juridical personality and legal capacity to the Board, which entered into force following its publication in the Official Gazette. In addition, the President issued special authority to the Minister of the Department of

¹⁵ Decisions [1/CP.28](#), paras. 6–7, and [5/CMA.5](#), paras. 6–7.

¹⁶ As per decisions [1/CP.28](#), para. 7, and [5/CMA.5](#), para. 7.

¹⁷ Contained in annex III to Board document FLD/B.1/12.

¹⁸ From the Governments of Antigua and Barbuda, Armenia, the Bahamas, Barbados, Eswatini, Kenya, the Philippines and Togo.

¹⁹ See Board document FLD/B.2/7.

Environment and Natural Resources, which grants the authority to negotiate, conclude, sign, execute and deliver, in accordance with the act, the final copy of the host country agreement for and on behalf of the Government of the Philippines.

J. Operationalization of the Fund as a World Bank hosted financial intermediary fund

41. The Co-Chairs of the Board engaged regularly with the World Bank, providing guidance on the expectations of the Board regarding the operationalization of the Fund as a World Bank hosted financial intermediary fund.

42. Events attended by the Co-Chairs included a meeting, in May 2024, with the relevant World Bank team to discuss matters relating to the World Bank staff paper on the operationalization of the Fund as a World Bank hosted financial intermediary fund, to be presented to the Board of Executive Directors of the World Bank in June 2024, and an event hosted by the Dean of the Board of Executive Directors of the World Bank, held in advance of a meeting with its Board of Directors, for exchange of views between the Co-Chairs of the Board of the Fund and the Executive Directors of the World Bank.

43. The World Bank formally accepted the invitation of the COP and the CMA to operationalize the Fund as a World Bank hosted financial intermediary fund²⁰ through a letter, sent on 11 June 2024, from its Senior Managing Director to the COP 28 President, noting the decision of the World Bank Board of Executive Directors to approve the role of the World Bank as interim host of the Fund's secretariat. The letter also confirms that the World Bank is willing and able to meet the conditions set out in paragraph 20 of decisions [1/CP.28](#) and [5/CMA.5](#).

44. The Board of Executive Directors of the World Bank approved the World Bank management's proposed approach to operationalization of the Fund as a World Bank hosted financial intermediary fund, which involves, inter alia:

(a) Establishing the proposed financial intermediary fund at the World Bank, with the World Bank providing support to the Fund by acting as interim trustee and hosting its secretariat, and with a novel structure whereby the trustee will enter into financing agreements with funding recipients, including direct access recipients and implementing entities other than multilateral development banks, United Nations agencies and the International Monetary Fund, on behalf of the Board of the Fund, which has independent legal personality, and submitting to the Executive Directors for approval any subsequent proposal to include direct access in a financial intermediary fund where the World Bank, as financial intermediary fund trustee, signs the financing agreements with recipients;

(b) The Fund providing assistance to Parties to the Convention and the Paris Agreement that are not members of the World Bank.

45. On 12 August 2024 the World Bank submitted to the Board of the Fund draft financial intermediary fund documentation, including a hosting agreement, a trustee agreement and a contribution agreement.²¹ The Co-Chairs of the Board consulted with the Board to seek members' views and feedback on the draft documentation, which were compiled into a document and shared with the World Bank on 29 August 2024.

K. Development of policies, programme priorities and eligibility criteria of the Fund

46. At its second meeting, the Board held preliminary discussions on the modalities of the Fund, considering two background papers, prepared by the interim secretariat: one on access modalities, in accordance with the Governing Instrument of the Fund, and the other on financial instruments, modalities and facilities.

²⁰ Contained in decisions [1/CP.28](#), para. 17, and [5/CMA.5](#), para. 17.

²¹ In accordance with decisions [1/CP.28](#), para. 19, and [5/CMA.5](#), para. 19.

L. Name of the Fund

47. In response to the recommendation of the COP 28 and CMA 5 President, in presenting to COP 28 and CMA 5 the decision to approve the report of the Transitional Committee, that, once operational, the Board take up the matter of naming the Fund referred to in decisions [1/CP.28](#) and [5/CMA.5](#),²² the Board, at its second meeting, decided on the Fund for responding to Loss and Damage as the name.

M. Participation in meetings and events

48. At the invitation of the Chair of the Subsidiary Body for Implementation, one of the Co-Chairs of the Board participated in the 3rd Glasgow dialogue, convened from 6 to 7 June 2024 in Bonn during the sixtieth sessions of the subsidiary bodies, sharing the perspective of the Board based on the guiding questions for the Dialogue²³ and facilitating one of the three parallel breakout group discussions on enhancing coherence and coordination across the loss and damage finance architecture.

N. Communications

49. The web pages of the interim secretariat (see para. 19 above) include information on the status of nominations to the Board and pledges to the Fund. The web pages relating to Board meetings, which include meeting documentation and, for open sessions, webcast links, are regularly updated.

50. The interim secretariat held briefings for the Board ahead of its first meeting and for stakeholders ahead of the first and second meetings of the Board.

III. Coordination and complementarity

51. At its second meeting, the Board discussed arrangements for establishing and operationalizing the first annual high-level dialogue on coordination and complementarity. Following the launch of the dialogue on the margins of the World Leaders Climate Action Summit, to be held during COP 29 and CMA 6, the first dialogue will take place in the first half of 2025.

²² [FCCC/CP/2023/11](#), para. 102, and [FCCC/PA/CMA/2023/16](#), para. 82.

²³ Contained in annex I to the summary report on the dialogue, available at <https://unfccc.int/documents/640029>.

Appendix I

Members and alternate members of the Board of the Fund for responding to Loss and Damage as at 31 August 2024

<i>Constituency or regional group represented</i>	<i>Name and country</i>	
	<i>Member</i>	<i>Alternate member</i>
Developed countries	Laurence Ahoussou Canada	Ben Abraham New Zealand
Developed countries	Antonella Baldino Italy	Karima Oustadi Italy
Developed countries	Georg Børsting Norway	Karoline Kjeldsen Norway
Developed countries	José Delgado Austria	Georges Gehl Luxembourg
Developed countries	Jean-Christophe Donnellier France	Pierre Marc France
Developed countries	Jens Fugl Denmark	Anna Merrifield Finland
Developed countries	Gerard Howe United Kingdom	Claire Holzer Fleming United Kingdom
Developed countries	Marjeta Jager European Union	Ronan Sweeney Ireland
Developed countries	Rebecca Lawlor United States	Alexandria Miskho United States
Developed countries	Sebastian Lesch Germany	Simon Stumpf Germany
Developed countries	Hiroki Matsui Japan	Tsuyoshi Hyokai Japan
Developed countries	Ana Paula Rodrigues Portugal	Gaizka Malo Spain
Asia-Pacific States	Abdulla Ahmed Balalaa Al Harthi United Arab Emirates	Didar Temenov Kazakhstan
Asia-Pacific States	Mohammad Ayoub Saudi Arabia	Ali Tauqeer Sheikh Pakistan
Asia-Pacific States	Mark Dennis Joven Philippines	Gholamhossein Darzi Islamic Republic of Iran
African States	David Kaluba Zambia	Sumaya Zakieldean Hamdan Sudan
African States	Mohamed Nasr Egypt	Tosi Mpanu Mpanu Democratic Republic of the Congo
African States	Richard Sherman South Africa	Alpha Kaloga Guinea
Latin American and Caribbean States	Liliam Beatris Chagas de Moura Brazil	Maria Victoria Gandini Argentina
Latin American and Caribbean States	Elena Pereira Honduras	Jaime Tramon Chile
Latin American and Caribbean States	Henrietta Elizabeth Thompson Barbados	Anthony Ferguson Bahamas

<i>Constituency or regional group represented</i>	<i>Name and country</i>	
	<i>Member</i>	<i>Alternate member</i>
Small island developing States	Peter Abraham Jr Antigua and Barbuda	Laura Elizabeth Agathine Seychelles
Small island developing States	Daniel Lund Fiji	Ahmed Waheed Maldives
Least developed countries	Adao Soares Barbosa Timor-Leste	Maheshwar Dhakal Nepal
Least developed countries	Djibril Ibila Benin	Madeleine Diouf Sarr Senegal
Developing countries not included in the regional groups or constituencies	Nona Budoyan Armenia	Rajasree Ray India

Appendix II

Action taken by the Board of the Fund for responding to Loss and Damage between 1 January and 31 August 2024 in response to provisions of decisions [1/CP.28](#) and [5/CMA.5](#) on the operationalization of the new funding arrangements, including a fund, for responding to loss and damage referred to in paragraphs 2–3 of decisions [2/CP.27](#) and [2/CMA.4](#)

Provision of decisions 1/CP.28 and 5/CMA.5		Action taken by the Board of the Fund for responding to Loss and Damage
Paragraph 6	Decide that arrangements with the Fund, consistent with the Governing Instrument of the Fund and to ensure that the Fund is accountable to and functions under the guidance of the COP and the CMA, are to be approved at COP 29 and CMA 6	The draft arrangements developed by the Standing Committee on Finance were approved by the Board at its second meeting for subsequent consideration and approval at COP 29 and CMA 6.
Paragraph 7	Request the Standing Committee on Finance to develop the arrangements referred to in paragraph 6 above, to be concluded between the COP, the CMA and the Board of the Fund, consistently with the Governing Instrument of the Fund, for consideration and approval by the Board and subsequent consideration and approval at COP 29 and CMA 6	
Paragraph 10	Request the UNFCCC secretariat to initiate arrangements for convening the first meeting of the Board of the Fund once all voting member nominations have been submitted, but no later than 31 January 2024, and to convene subsequent meetings until the secretariat of the Fund is operational	On 5 December 2023 the UNFCCC secretariat invited Parties to submit through their regional groups and constituencies nominations of representatives for membership of the Board to the UNFCCC secretariat as soon as possible. ^a The UNFCCC secretariat received sufficient nominations for the Board to constitute a quorum by 29 February 2024. The interim secretariat convened the first meeting of the Board from 30 April to 2 May 2024 in Abu Dhabi, United Arab Emirates, and the second meeting from 9 to 12 July 2024 in Songdo, Republic of Korea. Arrangements were being made for the third Board meeting, which took place from 18 to 20 September 2024 in Baku, Azerbaijan.
Paragraph 11	Urge the Board of the Fund to promptly select the Executive Director of the Fund through a merit-based, open and transparent process	At its first meeting, the Board adopted two decisions relevant to this matter: the first establishing an ad hoc subcommittee on the selection of the Executive Director of the Fund, and the second adopting the terms of reference for the subcommittee. At its second meeting, the Board approved the terms of the reference for the Executive Director role and the selection process, and endorsed the terms of reference for a human resources search firm to support the work of the subcommittee. The Board was aiming to formally appoint the

Provision of decisions [1/CP.28](#) and [5/CMA.5](#)

Action taken by the Board of the Fund for responding to Loss and Damage

Executive Director at its third meeting, but the timing of the appointment depends on the finalization of the host country agreement.

Paragraph 15

Decide that the Board of the Fund will be conferred with the 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

At its first meeting, the Board adopted the terms of reference for selecting the host country of the Board; established a selection process and committee, evaluation criteria and an indicative timeline; and launched the selection process. At its second meeting, the Board selected the Philippines as the host country and requested its Co-Chairs to finalize the agreement with the host country.

The Co-Chairs conducted negotiations, supported by the interim secretariat, with the Government of the Philippines and provided guidance with a view to ensuring that the host country agreement aligns with the Governing Instrument of the Fund, mandates contained in other documents and requirements of the Board.

Paragraph 16

Request the Board of the Fund to select the host country of the Board through an open, transparent and competitive process, with the host country of the Board conferring to the Board the legal personality and the legal capacity as necessary for discharging its roles and functions

An act has entered into force granting juridical personality and legal capacity to the Board.

Paragraph 25

Further decide 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

The Co-Chairs of the Board engaged regularly with the World Bank during the reporting period, providing guidance on the expectations of the Board regarding the operationalization of the Fund as a World Bank hosted financial intermediary fund.

The Co-Chairs of the Board met with a World Bank team in May 2024 to address matters relating to the World Bank staff paper on the operationalization of the Fund as a World Bank hosted financial intermediary fund, to be presented to the Board of Executive Directors of the World Bank in June 2024. Ahead of a meeting with the Board of Executive Directors of the World Bank, the Dean of the Board of Executive Directors of the World Bank hosted an event that provided an opportunity for discussion between the Co-Chairs of the Board of the Fund and the Executive Directors of the World Bank.

On 11 June 2024 the Co-Chairs received written confirmation that the World Bank Board of Executive Directors had approved the World Bank's role as interim host of the Fund's secretariat and trustee of the Fund.

The Co-Chairs attended a meeting with the World Bank, held from 24 to 26 June 2024, to discuss the next steps for meeting milestones and conditions, including those set out in paragraph 20 of decisions [1/CP.28](#) and [5/CMA.5](#), in particular the deadline of 12 August 2024 for the submission by the World Bank of relevant documentation to the Board. The documentation was submitted by the deadline and circulated among Board members, whose comments were considered in the revision of the documentation by the World Bank.

Paragraph 20(k)

Decide that 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

At its second meeting, the Board requested the co-chairs of the ad hoc subcommittee on the administrative budget, with the support of the interim secretariat, to engage with the World Bank to produce two reports for consideration by the Board: one on the cost recovery of the World Bank with respect to the services to be

Provision of decisions [1/CP.28](#) and [5/CMA.5](#)

manner that ensures a cost recovery methodology that is reasonable and appropriate

Paragraph 22(n) of annex I

The Board will review and approve the administrative budget and work programme of the Fund and arrange for performance reviews and audits

Action taken by the Board of the Fund for responding to Loss and Damage

provided in hosting the independent secretariat of the Fund and as the trustee of the Fund, and one on cost recovery with respect to services that the World Bank may provide, as decided by the Board, during the transitional period of the Fund until the hosting agreement for the independent secretariat is signed and becomes effective, and the World Bank assumes the trustee function, and on the necessary arrangements for reporting by the World Bank for such cost recovery. A report covering these matters was to be submitted to the Board for consideration at its third meeting.

The Board was aiming to approve the administrative budget for the independent secretariat at its third meeting.

^a The message to Parties is available at <https://unfccc.int/documents/636618>

Appendix III

Administrative budget of the Board of the Fund for responding to Loss and Damage and the interim secretariat for the Fund for 1 January to 31 December 2024¹

<i>Appropriation line</i>	<i>Budget (USD)</i>
Board budget (for logistics and Board-related meetings)	
Total Board budget	162 168
Administrative budget of the interim secretariat	
Human resources	
Director, global specialist, manager (3 staff members)	74 502
Senior adviser, programme specialists, programme officers, associate programme officers, technical support, administrative officer and specialists (18 staff members)	1 612 932
Administrative, operational and team assistants (9 staff members)	83 248
Subtotal	1 770 682
Consultants (6 consultants)	210 840
Travel and daily subsistence allowance	461 312
General operating costs (office space, equipment, supplies, communications, information technology)	184 343
Total administrative budget of the interim secretariat	2 627 177
Total budget of the Board and interim secretariat, excluding contingency	2 789 345
Contingency budget	
Board (travel and daily subsistence allowance for Board meetings and related intersessional meetings)	600 469
Interim secretariat (staff cost for policy items)	313 793
Total contingency budget	914 262
Total budget of the Board and interim secretariat	3 703 607

¹ Each organization involved (i.e. the UNFCCC secretariat, the Green Climate Fund and the United Nations Development Programme) will apply its own policies and procedures with regard to travel, human resources and general services, and logistics, and associated costs, in accordance with Board decision B.1/D.11

Appendix IV

Draft arrangements between the Conference of the Parties to the United Nations Framework Convention on Climate Change, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the Board of the Fund for responding to Loss and Damage

Preamble

Recalling Article 11 of the Convention and Article 9, paragraph 8, of the Paris Agreement,

Also recalling paragraphs 2–3 of decisions [2/CP.27](#) and [2/CMA.4](#); and decisions [1/CP.28](#) and [5/CMA.5](#), as well as annex I to those decisions, which sets out the Governing Instrument of the Fund referred to in paragraph 3 of decisions [2/CP.27](#) and [2/CMA.4](#) (hereinafter referred to as the Fund),

Recognizing that the Fund is designated as an entity entrusted with the operation of the Financial Mechanism of the Convention, also serving the Paris Agreement, which will be accountable to and function under the guidance of the Conference of the Parties to the UNFCCC and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, as per paragraph 5 of decisions [1/CP.28](#) and [5/CMA.5](#),

Also recognizing that, pursuant to paragraph 6 of decisions [1/CP.28](#) and [5/CMA.5](#), the arrangements between the Conference of the Parties to the UNFCCC, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the Board of the Fund are to be consistent with decisions [1/CP.28](#) and [5/CMA.5](#) and the Governing Instrument of the Fund.

The Conference of the Parties to the UNFCCC (COP), the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) and the Board of the Fund for responding to Loss and Damage (hereinafter referred to as the “Board” and the “Fund” respectively) hereby agree to the following arrangements:

I. Purpose of these arrangements

2. The purpose of these arrangements is to set out the working relationship between the COP, the CMA and the Board to ensure that the Fund is accountable to and functions under the guidance of the COP and the CMA, consistently with the Governing Instrument of the Fund,¹ and receives guidance from the COP and the CMA on its policies, programme priorities and eligibility criteria.

II. Determination and communication of guidance from the Conference of the Parties to the UNFCCC and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

3. The Board will receive guidance from the COP and the CMA on its policies, programme priorities and eligibility criteria.²

4. The Board will submit annual reports to the COP and the CMA for their consideration.³

¹ Decision [1/CP.28](#), annex I.

² Pursuant to para. 13(a) of the Governing Instrument.

³ Pursuant to para. 13(c) of the Governing Instrument.

5. The COP and the CMA will adopt decisions providing guidance to the Board at each of their sessions, unless otherwise decided by the COP and the CMA.
6. The COP and the CMA will provide such guidance on the basis of, inter alia, a thorough consideration of the information in the annual reports of the Board.
7. The Board may review the periodicity of the guidance from the COP and the CMA and make a recommendation thereon for consideration by the COP and the CMA.⁴

III. Conformity with guidance of the Conference of the Parties to the UNFCCC and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

8. The Board will take appropriate action in response to the guidance received from the COP and the CMA and will report on such action in its annual reports.

IV. Reconsideration of funding decisions

9. These arrangements reaffirm that the Board has responsibility for setting the strategic direction of the Fund and for the Fund's governance and operational modalities, policies, frameworks and work programme, including relevant funding decisions.⁵
10. The COP and the CMA may provide additional guidance to the Board to clarify policies, programme priorities and eligibility criteria as they impact funding decisions.
11. Further modalities by which a particular funding decision may be reconsidered, as per Article 11, paragraph 3(b), of the Convention, will be developed by the Board, as appropriate.

V. Financial instruments

12. In its provision of finance, the Fund will take into account guidance from the COP and the CMA, pursuant to paragraphs 57–59 of the Governing Instrument.

VI. Annual reports of the Board to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

13. The Board will include in its annual reports to the COP and the CMA:
 - (a) Information on implementation of policies, programme priorities and eligibility criteria, including information on action taken by the Board in response to guidance provided by the COP and the CMA;
 - (b) A synthesis of the different activities under implementation and a list of the activities approved, as well as a financial report;
 - (c) Information on all activities financed by the Fund;
 - (d) Action taken to develop, operate and review the resource allocation system referred to in paragraphs 60–61 of the Governing Instrument;
 - (e) Any reports of the independent evaluations of the performance of the Fund referred to in paragraphs 64–65 of the Governing Instrument;
 - (f) Information on how it has drawn on expert and technical advice, including from the relevant constituted bodies established under the Convention and the Paris Agreement, as appropriate;

⁴ Pursuant to para. 14 of the Governing Instrument.

⁵ Pursuant to para. 15 of the Governing Instrument.

(g) Information on the high-level dialogue referred to in paragraph 11 of annex II to decisions [1/CP.28](#) and [1/CMA.5](#), as described in paragraph 12 of annex II to those decisions;

(h) Information on action taken to enhance coordination and complementarity pursuant to paragraphs 51–53 of the Governing Instrument, as well as recommendations to the COP and the CMA pursuant to paragraph 22(s) of the Governing Instrument.

14. The Board is encouraged to include information in its annual reports on how it has established consultative forums to engage and communicate with stakeholders, pursuant to paragraph 28 of the Governing Instrument, and how it has developed and managed mechanisms to promote the input and participation of stakeholders, pursuant to paragraph 29 of the Governing Instrument.

15. The COP and the CMA may request the Board to provide additional information in its annual reports.

VII. Determination of funding necessary and available

16. The Board will include information in its annual reports to the COP and the CMA on its long-term fundraising and resource mobilization strategy, as appropriate.⁶

VIII. Periodic review of the Fund

17. Pursuant to paragraph 66 of the Governing Instrument, the Fund will be subject to periodic reviews conducted by the COP and the CMA, which will be informed by, inter alia, the results of the independent evaluation of the performance of the Fund referred to in paragraph 64 of the Governing Instrument and the annual reports of the Board to the COP and the CMA.

IX. Amendments to the Governing Instrument

18. The Board may recommend amendments to the Governing Instrument for consideration by the COP and the CMA.⁷

X. Termination of the Fund

19. The Board may recommend the termination of the Fund for consideration by the COP and the CMA.⁸

XI. Cooperation between the secretariat of the Fund and the UNFCCC secretariat, and representation of the Board in sessions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

20. The secretariat of the Fund may, as necessary and subject to the direction of the Board of the Fund, cooperate and exchange views with the UNFCCC secretariat on matters relevant to the operation of the Financial Mechanism of the Convention and the Paris Agreement, including implementation of these arrangements between the COP, the CMA and the Board, coordination with other international financing channels and funding arrangements, as appropriate, and participation of representatives in sessions of the COP and the CMA.

⁶ Pursuant to para. 56 of the Governing Instrument.

⁷ Pursuant to para. 72 of the Governing Instrument.

⁸ Pursuant to para. 73 of the Governing Instrument.

21. The participation of representatives of the UNFCCC secretariat in meetings of the Board, and of the secretariat of the Fund in sessions of the COP and the CMA, is to be governed by the rules of procedure of the Board and the draft rules of procedure of the COP respectively.

XII. Final clauses

22. These arrangements can only be modified by mutual written consent of the COP, the CMA and the Board.

23. These arrangements are effective upon approval by the Board and subsequent approval by the COP and the CMA.

24. These arrangements may only be terminated by mutual written consent of the COP, the CMA and the Board.

Annex IV

Concept note: Launch event for the annual high-level dialogue

Background

1. The Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), through decisions 2/CP.27 and 2/CMA.4,⁹ established new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage. Further, the COP and the CMA, through annex II to decisions 1/CP.28 and 5/CMA.5 established an annual high-level dialogue on coordination and complementarity, co-convened by the Fund for responding to Loss and Damage and the United Nations Secretary-General. It further decided that the Fund will act as the platform for facilitating coordination and complementarity under the funding arrangements.¹⁰
2. The Board of the Fund for responding to Loss and Damage decided at its second meeting (decision B.2/D.13) to launch the annual high-level dialogue, on the margins of the World Leaders Climate Action Summit to be held in person.

Launch event

3. The annual high-level dialogue will be launched through a high-level launch event on the margins of the World Leaders Climate Action Summit, as follows:
 - (a) Co-hosts: the Republic of Azerbaijan as the COP 29 Presidency and the Board of the Fund for responding to Loss and Damage; Date and time: 12 or 13 November 2024 (to be confirmed), 90 minutes;
 - (b) Venue: Baku, Azerbaijan.
4. In order to set the scene for the first annual high-level dialogue, the objectives of this public-facing event will be:
 - (c) Initiate the relationship and the required structured and timely exchange of relevant knowledge and information between the funding arrangements, including the Fund, in view of strengthening coordination and complementarity within funding arrangements, including the Fund;
 - (d) Share relevant knowledge and information and identify ways to strengthen coordination and complementarity within the funding arrangements, taking into account the context of continued operationalization of the Fund;
 - (e) Take stock of the state of the funding arrangements, including of the Fund's progress in its first year;
 - (f) Identify priority gaps in which the funding arrangements could cooperate with the Fund in the coming year, building on experience of different stakeholders.
5. Participants in the launch event will be asked to provide specific comments and feedback towards enhanced coordination and complementarity.
6. The launch event will be a dialogue of selected participants, taking into account any limitations of the World Action Climate Summit, representing entities engaged in responding to loss and damage that form part of the new funding arrangements, in line with paragraph 14 of annex II to decisions 1/CP.28 and 5/CMA.5.

⁹ See FCCC/CP/2022/10/Add.1, available at <https://unfccc.int/documents/626561>, and FCCC/PA/CMA/2022/10/Add.1, available at <https://unfccc.int/documents/626569>.

¹⁰ Decisions 1/CP.28 and 5/CMA.5, annex II, paras. 11–16.

7. The outcome of the launch event will be a joint statement by the Co-Chairs of the Board and the Republic of Azerbaijan as COP 29 Presidency summarizing the event.
-