

DRAFT TEXT

on

CMA 6 agenda item 11f

Matters related to finance: 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 of the Fund for responding to Loss and Damage

Version 14/11/2024 20:00

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

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,

Further recalling decisions 1/CP.28 and 5/CMA.5, which, inter alia, designated the Fund as an operating entity of the financial mechanism of the Convention, also serving the Paris Agreement, and requested the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to conclude arrangements with the Board of the Fund for responding to Loss and Damage to ensure that it is accountable to and functions under the guidance of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

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 are to be consistent with decisions 1/CP.28 and 5/CMA.5, and the Governing Instrument of the Fund contained in annex I to those decisions,

Recalling decisions 1/CP.28 and 5/CMA.5, which requested the Standing Committee on Finance to develop the arrangements to be concluded 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, consistently with the Governing Instrument of the Fund, for consideration and approval by the Board and subsequent consideration and approval by 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;

Also recalling paragraph 13 of the Governing Instrument of the Fund,

1. *Welcomes with appreciation* the report of the Standing Committee on Finance, which contains the draft 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 for responding to Loss and Damage approved by the Board;¹
2. *Confirms* that the 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 shall be consistent with the Governing Instrument of the Fund for responding to Loss and Damage, contained in annex I to decisions 1/CP.28 and 5/CMA.5;
3. *Notes* that the Board has approved the arrangements, as transmitted by the Standing Committee on Finance, contained in annex IV to the report of the Board;²
4. *Approves* the 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

¹ [FCCC/CP/2024/6/Add.8–FCCC/PA/CMA/2024/8/Add.8.](#)

² [FCCC/CP/2024/9–FCCC/PA/CMA/2024/13.](#)

contained in the annex, thereby bringing the arrangements into force upon approval by the COP;

5. *Requests* the Board to report on the implementation of the arrangements referred to in paragraph 4 above in its annual reports to the Conference of the Parties, starting at its thirtieth session (November 2025), and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, starting at its seventh session (November 2025).

Draft 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 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:

II. Purpose of these arrangements

6. 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.

III. 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

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

8. 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.

9. 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.

10. 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.

11. 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

IV. 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

12. 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.

V. Reconsideration of funding decisions

13. 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

14. 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.

15. 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.

VI. Financial instruments

16. 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.

VII. 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

17. 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.

18. 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.

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

VIII. Determination of funding necessary and available

20. 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

IX. Periodic review of the Fund

21. 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.

X. Amendments to the Governing Instrument

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

XI. Termination of the Fund

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

XII. 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

24. 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.

25. 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.

XIII. Final clauses

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

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

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