

U.S. Statement for the Record Regarding the Recommendations of the Transitional Committee

The United States welcomes the recommendations of the transitional committee on the operationalization of the new funding arrangements for responding to loss and damage established by CMA decision 2/CMA.4 and COP decision 2/CP.27 (the “Transitional Committee”). We would like to take this opportunity to clarify a few aspects for the record.

First, the report by the Transitional Committee to the CMA and the COP that accompanies the Committee’s recommendations notes that “[f]ollowing adoption of the recommendations,” the U.S. member “expressed the view that the agreed recommendations do not reflect consensus owing to it not being sufficiently clear what the Committee members were being asked to decide on the issue of sources of funding,” and that the United States “subsequently withdrew this view.” While the United States subsequently withdrew this objection, we note that the U.S. member objected to the recommendations being proposed for adoption before the recommendations were announced as adopted, and not just afterwards.

Second, as a financial intermediary fund (FIF) of the World Bank, the fund would have the same legal status as any other FIF of the World Bank. Accordingly, the privileges and immunities accorded to the World Bank under its Articles of Agreement would apply to the officials, property, assets, archives, income, operations, and transactions of the fund to the same extent as any other FIF. Therefore, we understand the language on legal status in the draft governing instrument, including that relating to the Board and the fund, to be descriptive of the privileges and immunities it would enjoy as a World Bank FIF and not as indicating the establishment of an intergovernmental organization under international law.

Third, we are pleased that the governing instrument of the fund recognizes that strong fiduciary standards and environmental and social safeguards are critical to the effective functioning of this institution. We want to underscore our expectation that the fund will always employ high integrity, international best practices, such as those of the World Bank. In order to serve those most vulnerable in a manner that provides for appropriate redress and strong protections for affected persons, these standards and safeguards must remain best-in-class. As a technical point, we note that the decision does not invite the World Bank to serve as trustee of the fund, even as it is invited to serve a host. This to us would seem to be an obvious oversight, and we hope that the invitation is nonetheless understood to have been extended.