

# **Fund for responding to loss and damage**

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**FLD/B.2/9**

1 July 2024

**Second meeting of the Board**  
9 – 12 July 2024  
Songdo, Republic of Korea  
Provisional agenda item 9

## **Workplan of the Board for 2024**

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### *Expected actions by the Board*

The Board adopts the workplan for 2024 as presented in the annex to this document.

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## I. Background and mandate

1. The twenty-eighth session of the Conference of the Parties (COP) and fifth session of the Conference of the Parties Serving as the meeting of the Parties to the Paris Agreement (CMA) decided to operationalize 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.<sup>1</sup> Decisions 1/CP.28 and 5/CMA.5. set out the objectives, purpose and scope of the Fund for responding to loss and damage and provide foundational principles to guide its governance and institutional arrangements, as contained in the Governing Instrument of the Fund.<sup>2</sup> In this regard, the decisions, including the Governing Instrument, define provisions with respect to the Board, including its composition, roles and functions, and rules of procedure, as well as its Secretariat and Trustee.

2. The Governing Instrument sets out provisions relating to the programming and financial instruments of the Fund, including its operational modalities; eligibility; country ownership and access; complementarity and coherence; financial inputs; financial instruments as well as on allocation of funding. It also provides the fundamental principles underpinning its accountability framework including provisions on monitoring; evaluation; fiduciary standards; environmental and social safeguards; and accountability and independent mechanisms. Finally, it elaborates provisions for amendments to the Governing Instrument and termination of the Fund.

3. At its first meeting, the Board decided to work on the following issues during its second meeting in 2024:<sup>3</sup>

- (a) Selection of the Executive Director of the Fund;
- (i) Selection of the host country of the Board;
- (ii) Additional rules of procedure;
- (iii) Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund, including consultation with the World Bank on elements of paragraph 20 of decisions 1/CP.28 and 5/CMA.5 and related mandates in the Governing Instrument, including an operations manual;
- (iv) Access modalities, including in relation to the development of relevant indicators and triggers to clarify access, and operational modalities for the Fund, including a functional equivalency framework, in accordance with the Governing Instrument;
- (v) Financial instruments, modalities and facilities;
- (vi) Arrangements for establishing and operationalizing the annual high-level dialogue;
- (vii) Participation of active observers in the Board meetings and related proceedings;
- (viii) Issues under consultation by the Co-Chairs.<sup>4</sup>

4. The Board also requested the Co-Chairs to present a workplan for 2024 with a clear sequence and specific milestones, for adoption by the Board at the second meeting of the Board, taking into account the views of the Board members expressed during the first meeting of the Board and the work of the ad hoc subcommittees, including via open, inclusive and transparent consultations.<sup>5</sup>

5. In accordance with decision FLD/B.1/D.3, the Co-Chairs, with the support of the interim secretariat, prepared a workplan for 2024 which is presented in the annex to this document.

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<sup>1</sup> Decisions 1/CP.28 and 5/CMA.5.

<sup>2</sup> Annex I to decisions 1/CP.28 and 5/CMA.5.

<sup>3</sup> Decision B.1/D.3.

<sup>4</sup> Travel policy, name of the Fund, and other items under consultation by the Co-Chairs.

<sup>5</sup> Decision B.1/D.3, para. (b).

## Annex

### Workplan of the Board for 2024–2025

#### Proposal from the Co-Chairs

##### I. Introduction

1. This document sets out the workplan of the Board of the Fund for responding to loss and damage for 2024–2025. The workplan was drafted in accordance with the mandates delegated to the Board by the Conference of the Parties (COP) at its twenty-eighth session and of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its fifth session, as well as the decisions of the Board of the Fund for responding to loss and damage at its first meeting. The workplan takes into consideration the discussions at the informal Board meeting during the first meeting of the Board, including the dialogue with civil society observers. The workplan is also based on ongoing consultations with the Interim Secretariat and the World Bank, to ensure the appropriate sequencing and timing of Board decisions and to enable the Fund to operate in a timely and effective manner. The Co-Chairs will update the workplan to reflect the decisions of the Board following each Board meeting, and following the United Nations Climate Conference in Baku, Azerbaijan, in November 2024.

##### II. Proposed vision for the work of the Board

2. The objective of the workplan of the Board is to implement the agreed provisions of the Governing Instrument of the Fund for responding to loss and damage, as contained in annex I to decisions 1/CP.28 and 5/CMA.5, with a view to the Board beginning to approve funding decisions as soon as possible, but realistically by mid-2025. In order to do that, the Board will need to develop operational procedures and policies to both deliver on the Fund’s mandate and secure a certain number of safeguards. To make these coherent with the deadline mentioned above, the Co-Chairs recommend the Board to adopt a stepwise approach, which may involve setting broad lines of business, deciding on pilot projects and gathering feedback from the ground so as to refine the business model in successive loops. The second Board meeting, including the agenda items on access modalities and financial instruments, would be an opportunity to kick-start the discussion in this matter.

3. The workplan:

(a) Outlines the sequencing of Board decisions on operational, policy, access, resource mobilization and funding matters that need to be addressed by the Board in during 2024–2025;

(b) Outlines the Co-Chairs’ proposed prioritization of key matters for the Board’s consideration during 2024–2025;

(c) Identifies key milestones requiring action by the Board.

4. A key priority for the Co-Chairs is to ensure the effective operation of the Board; it is equally important for the Board to adopt decisions related to the core policy and

operational matters of the Fund in the context of the Board’s willingness to begin funding approvals in 2025.

### **III. Elements of the workplan**

5. The Governing Instrument and the decisions of the COP and the CMA define aspects relating to the programming modalities of the Fund. For 2024–2025, the Board needs to consider additional matters, including elements identified under the following categories:

(a) Governance and accountability, including reporting to the COP and the CMA, host country of the Board, hosting agreement with the World Bank, Trustee arrangements, arrangements with the COP and the CMA; alignment of the term of Board membership; decision-making matters; and ethics and code of conduct of the Board and observers;

(b) Establishment of the new independent dedicated Secretariat, including concluding the financial intermediary fund documentation, and the appointment of the Executive Director;

(c) Access modalities, including functional equivalence;

(d) Policy on financing (terms/instruments/modalities);

(e) Resource mobilization, including the status of resources;

(f) Board architecture and independent related functions, including permanent standing committees and evaluation functions;

(g) Relationship with relevant thematic bodies of the United Nations Framework Convention on Climate Change;

(h) Participation of observers and related mandates;

(i) Funding arrangements, including the high-level dialogue and complementarity and coherence;

(j) Administrative and budgetary and audit matters;

(k) Approvals process, including resource allocation, results management and risk appetite.

### **IV. Time frame and sequence of actions**

6. The Co-Chairs note that the Board decided to schedule four meetings in 2024.<sup>6</sup> The Co-Chairs also note that discussions are ongoing on the format and scope of formal Board meetings under the ad hoc committee on the additional rules of procedure. Without expressing a view on the work of the committee, the Co-Chairs are of the view that reaching the milestone of funding approvals in early 2025 will require several deliberative, non-decision-making meetings of the Board with the purpose of advancing a common understanding of core operational modalities and procedures. These meetings may take several formats, including advanced consultation on proposed documentation and technical briefings from the Interim secretariat. The Co-Chairs will ensure, to the extent possible, full representation and participation of all members and alternate members of the Board.

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<sup>6</sup> Decision B.1/D.15.

Table 1

Time frame	Issue	Actions
Initiated at B.1, concluded at B.2 and host country agreement signed at B.3	Selection and confirmation by the Board of the host country arrangements for the Board, including legal personality of the Board (1/CP.28 para. 15-16)	B.1: Agree on the terms of reference for the host country; establish selection process/committee, criteria and time frame; launch the selection process B.2: Approve host country; and mandate the Co-Chairs to enter into an agreement with the host country
Initiated at B.1, concluded by B.3, and the Executive Director to be in office by B.4	Selection and appointment of the Executive Director of the Secretariat of the Fund (1/CP.28 para. 11; Para 33 of annex I to decisions 1/CP.28 and 5/CMA.5)	B11: Establish the ad hoc committee on the selection of the Executive Director for the Fund B.2: Agree on the terms of reference for the Executive Director, establish selection process/committee, criteria and time frame; launch the selection process; approve the terms of reference for the recruitment firm B.3: Formal appointment of the Executive Director (the timing will be dependent on the host country agreement)
No later than 12 June 2024	Confirmation from the World Bank that it is willing and able to meet the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 and accepts the invitation	B.2: Note the World Bank Board's confirmation of the invitation and conditions, and the report of the Co-Chairs regarding the implementation of decision FLD/B.1/D.8
No later than 12 August 2024 (1/CP.28 para. 19)	Submission to the Board by the World Bank of approved financial intermediary fund documentation (1/CP.28 para. 17-21), including the hosting arrangements, trustee services as well as investing contributions on the capital markets (1/CP.28 para. 20(h)) and receiving contributions from a wide variety of sources (1/CP.28 para. 20(i))	B.1: Discuss the modalities for engagement with the World Bank on financial intermediary fund documentation, and the hosting agreement B.2-3: Consultations on and negotiations of the World Bank hosting agreement B.4-B.5: Establish the new, dedicated and independent Secretariat (Para 3 of annex I to decisions 1/CP.28 and 5/CMA.5)
Before COP 29/CMA 6	Establish and operationalize the high-level dialogue (Para 9 of annex I to decisions 1/CP.28 and 5/CMA.5)	B.2: Confirm the arrangements for the first meeting of the high-level dialogue B.3-4: Report to the COP and the CMA, and addendum (Para 13 of annex I to decisions 1/CP.28 and 5/CMA.5)
Initiated at B.2 and concluded at B.3 Before COP 29/CMA 6	Arrangements with the COP and the CMA (Para 29 of annex I to decisions 1/CP.28 and 5/CMA.5)	B.2: SCF to present draft arrangements for the Board's approval. Board approves arrangements
B.3	Board to confirm to the COP and the CMA that conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met	B.3: Board confirmation to the COP and the CMA regarding the conditions as part of the Report to the COP and the CMA
COP 29/CMA 6	Approval by the Board/SCF and confirmation by COP 29/CMA 6 of the Arrangements with the Fund (1/CP.28 para. 6-7)	

*Abbreviations:* B = Board meeting, CMA = Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, COP = Conference of the Parties, SCF = Standing Committee on Finance.

## V. Key fund modality/policy mandates for 2024

**Table 2**

Cluster of modalities	Proposed actions/timelines
<b>Governance</b>	
Workplan of the Board	B.2: Approve workplan
Arrangements for AOs, including the observer accreditation process (Para 20 of annex I to decisions 1/CP.28 and 5/CMA.5/ Para 27 of annex I to decisions 1/CP.28 and 5/CMA.5), consultative forums and mechanisms to promote input and participation of stakeholders (Paras 28-29 of annex I to decisions 1/CP.28 and 5/CMA.5)	B.1: Approve interim arrangements for AOs, and other observers; mandate to address AOs at B.2 B.2-4: Formal arrangements for AOs to be approved, including the review and support for developing country observers B.3-4: Confirm the accreditation process for observers, the consultative forums, and the mechanisms to promote input and participation of stakeholders (Paras 28-29 of annex I to decisions 1/CP.28 and 5/CMA.5)
Additional rules of procedure (Para 31 of annex I to decisions 1/CP.28 and 5/CMA.5)	B.1: Agree on the process and deadline to approve the additional rules of procedure, and establish an ad hoc committee B.2-3: Approve the additional rules of procedure
Decision-making, including procedures for determining all efforts to reaching consensus (Para 26 of annex I to decisions 1/CP.28 and 5/CMA.5); policy on ethics and conflict of interest; and procedures for taking decisions between meetings (Para 26 of annex I to decisions 1/CP.28 and 5/CMA.5)	The co-chairs to propose interim methodology as outlined in Para 26 of annex I to decisions 1/CP.28 and 5/CMA.5, as needed and appropriate. B.2: Mandate the co-chairs to undertake consultations and report back to the Board at B.3
Co-Chairs' mandates: travel policy, name of the Fund, and other matters related to GI compliance	B.1: Mandate the Co-Chairs to undertake consultations and report back to the Board B.2: Co-Chairs report back to the Board
<b>Resources</b>	
Administrative budget and workplan for the Fund (Para 22(n) of annex I to decisions 1/CP.28 and 5/CMA.5), including reasonable and appropriate costs recovery methodology (1/CP.28 para. 20(k))	B.3 Approve the administrative budget for the Secretariat B.4/B.5: Approve the administrative budget and workplan for the Secretariat (linked with the hosting arrangements between the World Bank and the Board, and the time frame for the establishment of the new, independent, dedicated Secretariat)
Resource mobilization in accordance with the provisions in Para 55-57 of annex I to decisions 1/CP.28 and 5/CMA.5	B.2-3: Arrangements to cover the COP 28 pledges B.4-6: Board consideration of the provisions in Paras 55-57 of annex I to decisions 1/CP.28 and 5/CMA.5
<b>Modalities</b>	
Complementarity and coherence framework	Start at B.3, conclude at B.5 (this is linked to work in relation to standard procedures and establishing and operationalizing the high-level dialogue with the Secretary-General of the United Nations)

Programme approval cycle (Para 22(e) of annex I to decisions 1/CP.28 and 5/CMA.5), including indicators and trigger based approaches (Para 22 (l) of annex I to decisions 1/CP.28 and 5/CMA.5); accountability framework for approvals (Para 22 (i) of annex I to decisions 1/CP.28 and 5/CMA.5)	Start at B.3; conclude at B.5 B.4: Adopt the accountability framework for approvals
Access modalities for the Fund for responding to loss and damage (Para 49 of annex I to decisions 1/CP.28 and 5/CMA.5), including functional equivalency framework (Para 50 of annex I to decisions 1/CP.28 and 5/CMA.5) and small grants funding	Start at B.2; conclude at B.3 (this is linked to the World Bank host agreement and fulfilment of conditions). B.5: Adopt the functional equivalency framework (Para 50 of annex I to decisions 1/CP.28 and 5/CMA.5)
Resource allocation framework and parameters (Para 22(k) of annex I to decisions 1/CP.28 and 5/CMA.5)	Start at B.3; conclude at B.5
Policy on financing (terms/instruments/modalities (Para 22(d) of annex I to decisions 1/CP.28 and 5/CMA.5)	Start at B.2; conclude at B.4
Results management framework (Para 22(g) of annex I to decisions 1/CP.28 and 5/CMA.5), including procedures for monitoring and evaluation of performance and financial accountability (Para 22(m) of annex I to decisions 1/CP.28 and 5/CMA.5)	Start at B.5; conclude at B.7
Mechanism to ensure that funding activities are implemented based on high-integrity environmental and social safeguards and fiduciary principles and standards (Para 22(f) of annex I to decisions 1/CP.28 and 5/CMA.5)	Start at B.3; conclude at B.5 (alongside the functional equivalence/access discussion)
<b>Funding arrangements</b>	
Developed standard procedures to identify sources, funds, processes and initiatives under and outside of the Convention/Paris Agreement (Para 10 of annex I to decisions 1/CP.28 and 5/CMA.5).	Start at B.3, conclude at B.6 and initiate processes Call/communication at the annual high-level dialogue

*Abbreviations:* AO = active observer, B = Board meeting, CMA = Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, COP = Conference of the Parties, FA = Funding Arrangements of the Fund, GI = Governing Instrument of the Fund, SCF = Standing Committee on Finance.

## VI. Timetable

		2024				2025				2026
		B.1	B.2	B.3	B.4	B.5	B.6	B.7	B.8	
<b>Board matters</b>	<b>Election of the Co-Chairs</b>	X				X				
	<b>Workplan of the Board</b>		X Approval of the WP			X Proposal of new WP by CC following COP 29				
	<b>Additional rules of procedure</b>	X Subcommittee created	X Approval of the ARoP							
	<b>Decision-making, including procedures for determining all efforts to reaching consensus</b>									
	<b>Policy on ethics and conflict of interest</b>		X Mandate for CC to undertake consultations	X Approval of CC proposals						
	<b>Procedures for taking decisions between meetings</b>									
<b>Selection of the host country</b>	X Subcommittee created	X Approval of host country and mandate to CCs to sign the agreement with the Host country								
<b>Dates and venues of other meetings</b>	X Agreed on dates for B.2, B.3 and B.4	X Agreeing on venue for B.3 and B.4			X Agreeing on dates and venues for 2025			X Agreement on dates and venues for 2026		

Abbreviations: ARoP = additional rules of procedure, B = Board meeting, CC = Co-Chairs, COP = Conference of the Parties, WP = workplan.



	2024				2025				2026
	B.1	B.2	B.3	B.4	B.5	B.6	B.7	B.8	
<b>Operationalization of the Fund</b>	<b>World Bank</b>	<b>X</b> Statement by the Board	<b>X</b> Takes note of the WB Board's acceptance of invitation	<b>X</b> Formal acceptance of the hosting agreement	Establishment of the Secretariat				
	<b>Selection of the ED</b>	<b>X</b> Subcommittee created	<b>X</b> Agreement on the TOR, selection process, criteria, time frame, selection firm						
	<b>Travel policy</b>	<b>X</b> Report of consultation by CCs							
	<b>Virtual engagement with the Board</b>								
	<b>Name of the Fund</b>	<b>X</b> Report of consultation by CCs							

Abbreviations: B = Board meeting, CC = Co-Chairs, ED = Executive Director, TOR = terms of reference, WB = Work Bank.

		2024				2025				2026
		B.1	B.2	B.3	B.4	B.5	B.6	B.7	B.8	
<b>Fund modalities</b>	<b>Complementarity and coherence framework</b>			Board members share vision on complementarity and coherence		<b>X</b> Agreement on C&C Framework				
	<b>Programme approval cycle (GI.22(e)), including indicators and trigger based approaches (GI.22(l); accountability framework for approvals (GI.22(i))</b>			Starts	<b>X</b> Adopts accountability framework for approval	Concludes				
	<b>Access modalities (GI.49), including functional equivalency framework (GI.50) and small grants funding</b>		Board starts exchanges with a view to conclude at B.3	<b>X</b> Adopts access modalities, linked with WB FIF documentation		<b>X</b> Adopts functional equivalency framework				
	<b>Resource allocation framework and parameters (GI.22(k))</b>			Board starts exchanges with a view to conclude at B5		<b>X</b> Adopts resource allocation framework and parameters				
	<b>Policy on Financing (terms / instruments / modalities (GI.22(d))</b>		Board starts exchanges with a view to conclude at B.4		<b>X</b> Adopts policy on financing					
	<b>Results Management Framework (GI.22(g)), including procedures for monitoring and evaluation of</b>					Board starts exchanges with a view to conclude at B.7		<b>X</b> Adopts results management framework		

	<p><b>performance and financial accountability (GI.22 (m)).</b></p>
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Abbreviations: B = Board meeting, C&C = complementarity and coherence, FIF = financial intermediary fund, WB = Work Bank, GI = Governing Instrument of the Fund for responding to loss and damage.

	2024				2025				2026
	B.1	B.2	B.3	B.4	B.5	B.6	B.7	B.8	
<b>Engagement with third parties</b>	<b>Arrangement between the COP, the CMA and the Board</b>		<b>X</b> Report to the COP/CMA	<b>X</b> Agreement to draft proposed by the SCF	<b>X</b> Board confirmation to the COP/CMA regarding the conditions				
	<b>Participation of observers</b>		<b>X</b> Starts	<b>X</b> Confirm accreditation process for observers, confirm consultative forums and mechanisms to promote input and participation of stakeholders					
	<b>High-level dialogue</b>		<b>X</b> Approval of the arrangements for the first HLD						
	<b>Developed standard procedures to identify sources, funds, processes and initiatives under and outside of the Convention/Paris Agreement (FA.10)</b>			Board starts exchanges		Board concludes exchanges			

Abbreviations: B = Board meeting, CMA = Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, COP = Conference of the Parties, HLD = high-level dialogue, SCF = Standing Committee on Finance, FA = Funding Arrangements.

		2024				2025				2026
		B.1	B.2	B.3	B.4	B.5	B.6	B.7	B.8	
<b>Fund resources</b>	<b>Administrative budget</b>	Linked with the hosting arrangements between the WB and the Board, and the time frame for the establishment of the Secretariat								
	<b>Resource mobilization in accordance with the GI provisions in paragraphs 55–57.</b>		Arrangements to cover the COP 28 pledges		Board consideration of the arrangement to cover resources mobilization		X Agreement on the arrangement to cover resources mobilization			

*Abbreviations:* COP = Conference of the Parties, GI = Governing Instrument of the Fund for responding to loss and damage, WB = World Bank.