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Conference of the Parties

Report of the Conference of the Parties on its twenty-eighth session, held in the United Arab Emirates from 30 November to 13 December 2023

Addendum

Part two: Action taken by the Conference of the Parties at its twenty-eighth session

Contents

Decisions adopted by the Conference of the Parties

Decision		*Page*
1/CP.28	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	2
2/CP.28	Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts	19
3/CP.28	Report of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts	31
4/CP.28	Long-term climate finance	33
5/CP.28	Matters relating to the Standing Committee on Finance	35
6/CP.28	Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund	37
7/CP.28	Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility	40
8/CP.28	Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9, paragraph 5, of the Paris Agreement	43
9/CP.28	Enhancing climate technology development and transfer through the Technology Mechanism	44

Decision 1/CP.28

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

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

Recalling decisions 2/CP.27 and 2/CMA.4,

Also recalling decisions 2/CP.27, paragraph 2, and 2/CMA.4, paragraph 2, by which new funding arrangements were established for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage, including with a focus on addressing loss and damage, by providing and assisting in mobilizing new and additional resources, and which specify that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement,

Further recalling decisions 2/CP.27, paragraphs 1 and 3, and 2/CMA.4, paragraphs 1 and 3, by which, in the context of establishing the new funding arrangements, a fund was established for responding to loss and damage whose mandate includes a focus on addressing loss and damage to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events,

Acknowledging that climate change is a common concern of humankind and that Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to a clean, healthy and sustainable environment, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,[1]

Recalling the understanding of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement that funding arrangements, including a fund, for responding to loss and damage are based on cooperation and facilitation and do not involve liability or compensation,[2]

Expressing appreciation to the Governments of Egypt, the Dominican Republic and the United Arab Emirates for hosting the 1st and 4th meetings, 3rd meeting and 5th meeting respectively of the transitional committee on the operationalization of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4 and to the Governments of Australia, Germany, Norway and the United States of America for providing financial support for the work of the Committee,

1. *Welcome* the report of the transitional committee on the operationalization of the new funding arrangements for responding to loss and damage and the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4 (Transitional Committee)[3] containing recommendations on the operationalization of the funding arrangements for responding to loss and damage referred to in paragraph 2 of decisions 2/CP.27 and 2/CMA.4, including the fund referred to in paragraph 3 of the same decisions (hereinafter referred to as the Fund), and *take note with appreciation* of the work of the Transitional Committee in responding to its mandate;[4]

[1] Decision 1/CMA.4, eleventh preambular paragraph.
[2] FCCC/CP/2022/10, para. 7(b), and FCCC/PA/CMA/2022/10, para. 71.
[3] FCCC/CP/2023/9–FCCC/PA/CMA/2023/9.
[4] Decisions 2/CP.27, para. 4, and 2/CMA.4, para. 4.

2. *Approve* the Governing Instrument of the Fund, as contained in annex I;

3. *Decide* that the Fund will be serviced by a new, dedicated and independent secretariat;

4. *Also decide* that the Fund will be governed and supervised by a Board;

5. *Further decide* to designate the Fund 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 and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

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 Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, are to be approved by the Conference of the Parties at its twenty-ninth session (November 2024) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024);

7. *Request* the Standing Committee on Finance to develop the arrangements referred to in paragraph 6 above, 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 of the Fund, 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;

8. *Invite* Parties, through their regional groups and constituencies, to submit nominations of representatives for membership of the Board of the Fund to the UNFCCC secretariat as soon as possible;

9. *Decide* that the alternate member for the seat on the Board of the Fund referred to in paragraph 17(g) of annex I will rotate among the developing country Parties in the regional groups and constituencies listed in paragraph 17(b–f) of annex I;

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;

11. *Urge* the Board of the Fund to promptly select the Executive Director of the Fund through a merit-based, open and transparent process;

12. *Also urge* developed country Parties to continue to provide support and *encourage* other Parties to provide, or continue to provide support, on a voluntary basis, for activities to address loss and damage;[5]

13. *Invite* financial contributions with developed country Parties continuing to take the lead to provide financial resources for commencing the operationalization of the Fund;

14. *Welcome* the offers of Australia, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Netherlands (Kingdom of the), Norway, Portugal, Slovenia, Spain, Switzerland, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as well as the European Commission, amounting to the equivalent of USD 792 million to the funding arrangements, including the contribution of USD 661 million to the Fund;

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;

[5] This paragraph is without prejudice to any future funding arrangements, any positions of Parties in current or future negotiations, or understandings and interpretations of the Convention and the Paris Agreement.

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;

17. *Invite* the World Bank, subject to paragraphs 20–24 below, 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 Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at which the Board of the Fund confirms that the conditions referred to in paragraph 20 below can be met, with the Fund to be serviced by a new, dedicated and independent secretariat hosted by the World Bank;

18. *Confirm* their expectation that, as a financial intermediary fund, the Fund will operate through the legal personality and legal capacity of the World Bank, and the privileges and immunities accorded to the World Bank will apply to the officials, property, assets, archives, income, operations and transactions of the Fund;

19. *Invite* the World Bank to take the steps necessary to promptly operationalize the Fund as a financial intermediary fund and to submit to the Board of the Fund by no later than eight months after the conclusion of the twenty-eighth session of the Conference of the Parties the relevant financial intermediary fund documentation, approved by the World Bank Board of Directors, including a hosting agreement between the Board of the Fund and the World Bank based on consultations with and guidance from the Board of the Fund, as elaborated in paragraph 25 below;

20. *Decide* that, as further elaborated in paragraphs 21–24 below, the continued operationalization of the Fund during the interim period will be conditional on the World Bank hosting the Fund as a financial intermediary fund in a manner that:

(a) Is fully consistent with the Governing Instrument of the Fund;

(b) Ensures the full autonomy of the Board of the Fund to select the Executive Director of the Fund at a level of seniority set by the Board, in line with relevant World Bank human resources policies;

(c) Enables the Fund to establish and apply its own eligibility criteria, including on the basis of guidance from the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

(d) Ensures that the Governing Instrument of the Fund supersedes, where appropriate, the policies of the World Bank in instances where they differ;

(e) Allows all developing countries to directly access resources from the Fund, including through subnational, national and regional entities and through small grant funding for communities, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

(f) Allows for the use of implementing entities other than multilateral development banks, the International Monetary Fund and United Nations agencies, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

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

(h) Permits the World Bank, in its role as trustee, to invest contributions to the Fund in the capital markets to preserve capital and general investment income, in line with due diligence considerations;

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

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

(k) Ensures a cost recovery methodology that is reasonable and appropriate;

21. *Also decide*, notwithstanding the invitation referred to in paragraph 17 above, that if the World Bank has not confirmed that it is willing and able to meet the conditions set out in paragraph 20 above within six months after the conclusion of the twenty-eighth session of the Conference of the Parties, the Board will launch the selection process for the host country of the Fund and 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 will approve the necessary amendments to the Governing Instrument of the Fund;

22. *Further decide* that, if the Board of the Fund determines that the relevant financial intermediary fund documentation referred to in paragraph 19 above, approved by the World Bank Board of Directors, does not ensure that the conditions set out in paragraph 20 above can be met during the interim period, the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, 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 with respect to the selection process for the host country of the Fund, or the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement may take any other course of action deemed appropriate;

23. *Decide* that, if the conditions set out in paragraph 20 above have not been met, as determined by the Board of the Fund following an independent assessment of the performance of the World Bank as host of the Fund's secretariat, the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement will take steps at the end of the interim period referred to in paragraph 17 above to establish the Fund as an independent stand-alone institution, including with respect to any necessary amendments to the Governing Instrument of the Fund and providing guidance to the Board with respect to the selection process for the host country of the Fund, or take any other course of action deemed appropriate;

24. *Also decide* that, if the conditions set out in paragraph 20 above have been met, as determined by the Board of the Fund following an independent assessment of the performance of the World Bank as host of the Fund's secretariat, the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement will take steps at the end of the interim period referred to in paragraph 17 above to invite the World Bank to continue operationalizing the Fund as a financial intermediary fund, with or without conditions, as appropriate;

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;

26. *Decide* to establish an interim secretariat for the Fund to provide support, including administrative support, to the Board of the Fund during the transitional period until the establishment of the independent secretariat referred to in paragraph 3 above and *request* the secretariats of the UNFCCC and the Green Climate Fund and *invite* the United Nations Development Programme to jointly form this secretariat;

27. *Welcome* and *confirm* the recommendations of the Transitional Committee in relation to the funding arrangements contained in annex II.

Annex I

Governing Instrument of the Fund

1. The Fund is hereby operationalized in accordance with the following provisions.

I. Objectives and purpose

2. The purpose of the Fund is to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

3. Given the urgent and immediate need for new, additional, predictable and adequate financial resources to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events, especially in the context of ongoing and ex post (including rehabilitation, recovery and reconstruction) action, the Fund aims to be a new channel for multilateral finance to assist those countries in responding to loss and damage associated with the adverse effects of climate change. The Fund will also endeavour to assist those countries in mobilizing external finance to strengthen their efforts to respond to loss and damage while supporting both the achievement of international goals on sustainable development and the eradication of poverty.

4. The Fund should operate in a manner that promotes coherence and complementarity with new and existing funding arrangements for responding to loss and damage associated with the adverse effects of climate change across the international financial, climate, humanitarian, disaster risk reduction and development architectures. In accordance with the provisions set out in chapter VI below, the Fund will develop new coordination and cooperation mechanisms to help enhance complementarity and coherence and will facilitate linkages between itself and various funding sources, including relevant vertical funds, as appropriate, to, inter alia, promote access to available funding, avoid duplication and reduce fragmentation.

5. The Fund will operate in a transparent and accountable manner guided by efficiency and effectiveness and sound financial management. The Fund will pursue a country ownership approach to programmes and projects and seek to promote and strengthen national response systems through, among other means, the effective involvement of relevant institutions and stakeholders, including non-State actors. The Fund should be scalable and flexible; practise continuous learning, guided by monitoring and evaluation processes; strive to maximize the impact of its funding for responding to loss and damage associated with the adverse effects of climate change while promoting environmental, social, economic and development co-benefits; and take a culturally sensitive and gender-responsive approach.

II. Scope

6. The Fund will provide finance for addressing a variety of challenges associated with the adverse effects of climate change, such as climate-related emergencies, sea level rise, displacement, relocation, migration, insufficient climate information and data, and the need for climate-resilient reconstruction and recovery.

7. The Fund will focus on priority gaps within the current landscape of institutions, including global, regional and national institutions, that are funding activities related to responding to loss and damage. To this end, the Fund will provide complementary and additional support and improve the speed and adequacy of access to finance for responding to loss and damage by particularly vulnerable developing countries.

8. The Fund will provide support for responding to economic and non-economic loss and damage associated with the adverse effects of climate change. This support may include funding that is complementary to humanitarian actions taken immediately after an extreme weather event; funding for intermediate or long-term recovery, reconstruction or rehabilitation; and funding for actions that address slow onset events.

9. The support provided by the Fund may include developing national response plans; addressing insufficient climate information and data; and promoting equitable, safe and dignified human mobility in the form of displacement, relocation and migration in cases of temporary and permanent loss and damage.

III. Governance and institutional arrangements

A. Legal status

10. The Fund will possess international legal personality and appropriate legal capacity as is necessary for the exercise of its functions, the fulfilment of its objectives and the protection of its interests, in particular the capacity to enter into contracts, to acquire and dispose of movable and immovable property, and to institute legal proceedings in defence of its interests. The Fund will enjoy such privileges and immunities as are necessary for the independent fulfilment of its purpose. The officials of the Fund's secretariat will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official duties.

B. Relationship to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

11. The Fund will be designated as an entity entrusted with the operation of the Financial Mechanism of the Convention, which also serves the Paris Agreement, and will be accountable to and function under the guidance of the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).

12. Arrangements for ensuring that the Fund is accountable to and functions under the guidance of the COP and the CMA, consistent with this Governing Instrument, will be concluded between the COP, the CMA and the Board of the Fund for consideration and approval at COP 29 (November 2024) and CMA 6 (November 2024).

13. The Board 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.

14. 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.

C. Board

1. Composition

15. The Fund will be governed and supervised by a Board that is its decision-making body. The Board will have 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.

16. The Board will have an equitable and balanced representation of all Parties within a transparent system of governance.

17. The Board will comprise 26 members, as follows:

(a) 12 members from developed countries;

(b) 3 members from African States;

(c) 3 members from Asia-Pacific States;

(d) 3 members from Latin American and Caribbean States;

(e) 2 members from small island developing States;

(f) 2 members from the least developed countries;

(g) 1 member from a developing country not included in the regional groups and constituencies referred to in paragraph 17(b–f) above.

18. Each Board member will have an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of a member from all or part of a meeting of the Board, its alternate will serve as the member.

19. The relevant regional groups and constituencies will nominate representatives with the appropriate technical, finance, loss and damage, and policy expertise, with due consideration given to gender balance, to serve as Board members, including alternate members.

20. The Board will enhance the engagement of stakeholders by inviting active observers, including youth, women, Indigenous Peoples and environmental non-governmental organizations, to participate in its meetings and related proceedings.

2. Roles and functions

21. The Board will serve the objectives and purpose of the Fund and steer the Fund's operations so that they evolve with the Fund's scale and maturity. The Board will exercise strategic leadership and flexibility to allow the Fund to evolve over time.

22. The Board will:

(a) Oversee the operation of all relevant components of the Fund;

(b) Develop and approve operational modalities, access modalities, financial instruments and funding structures;

(c) Approve funding in line with the Fund's criteria, modalities, policies and programmes;

(d) Approve a policy for the provision of grants, concessional resources and other financial instruments, modalities and facilities, taking into account access to other financial resources and debt sustainability;

(e) Approve specific operational policies and frameworks, including for the programme and project cycle;

(f) Develop a mechanism that will help ensure the activities financed by the Fund are implemented based on high-integrity environmental and social safeguards and fiduciary principles and standards;

(g) Develop, approve and periodically review the Fund's results measurement framework;

(h) Establish subcommittees, panels and expert bodies, as appropriate, and define their terms of reference;

(i) Develop an accountability framework for funding approvals, which may be delegated by the Board to the Executive Director of the Fund, subject to the relevant policies of the host institution;

(j) Develop a system for allocating resources, as outlined in paragraph 60 below;

(k) Establish additional thematic substructures to address specific activities, as appropriate;

(l) Develop relevant indicators and triggers to clarify access to different sources of support provided through the Fund;

(m) Establish, as appropriate, procedures for the monitoring and evaluation of performance and the financial accountability of activities financed by the Fund, and for any necessary external audits;

(n) Review and approve the administrative budget and work programme of the Fund and arrange for performance reviews and audits;

(o) Oversee the operation of all relevant organs of the Fund with respect to the Fund's activities, including the trustee, secretariat, subcommittees, and expert, advisory and evaluation panels;

(p) Prepare a long-term fundraising and resource mobilization strategy and plan for the Fund to mobilize financial resources from the sources outlined in paragraph 54 below;

(q) Select the Executive Director of the Fund;

(r) Ensure the expeditious disbursement of funds by the host institution in line with the policies and procedures of the Fund;

(s) Provide recommendations to the COP and the CMA, including information on means to enhance consistency, coordination and coherence with other sources, funds, initiatives and processes under and outside the Convention and the Paris Agreement;

(t) Exercise other functions, as appropriate, to fulfil the objectives of the Fund.

D. Rules of procedure of the Board

1. Co-chairs

23. The Board will elect two Co-Chairs from within its membership, one from a developed country and one from a developing country, who will serve a term of one year. The Co-Chairs may be re-elected. If a Board member is elected as Co-Chair, that member may request their alternate member to express the respective regional group's or constituency's viewpoint in Board deliberations. However, the Board member retains the right to vote.

2. Term of membership

24. Members and alternate members of the Board are to serve for a term of three years and are eligible to serve additional terms, as determined by their regional group or constituency, for a maximum of two consecutive terms.

3. Quorum

25. A three-fourths majority of Board members must be present at a meeting to constitute a quorum.

4. Decision-making

26. Decisions of the Board will be taken by consensus. If all efforts at reaching consensus have been exhausted and no consensus is reached, decisions will be taken by a four-fifths majority of the members present and voting. The Board will develop procedures for determining when all efforts at reaching consensus have been exhausted. The Board will adopt procedures for taking decisions between meetings.

5. Observers

27. The Fund will make arrangements to allow for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

6. Stakeholder input and participation

28. The Fund will establish consultative forums to engage and communicate with stakeholders. The forums will be open to a wide range of stakeholders, including representatives of civil society organizations, environmental and development non-governmental organizations, trade unions, Indigenous Peoples, youth, women, climate-induced migrants, industries and sectors impacted by climate change, community-based organizations, bilateral and multilateral development cooperation agencies, technical and research agencies, the private sector and governments. Participation in such forums should reflect a balance among United Nations geographical regions.

29. The Fund will develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations and the groups most vulnerable to the adverse effects of climate change, including women, youth and Indigenous Peoples, in the design, development and implementation of the activities financed by the Fund.

7. Expert and technical advice

30. The Board may establish expert and technical panels to support its work and to provide inputs to the Fund's activities. These panels may include representatives of relevant constituted bodies established under the Convention and the Paris Agreement.

8. Additional rules of procedure

31. The Board will develop additional rules of procedure.

E. Secretariat

1. Establishment

32. The Fund will be serviced by a new, dedicated and independent secretariat, which will be accountable to the Board. The secretariat will have effective management capabilities to execute the day-to-day operations of the Fund. The secretariat will be run by professional staff with relevant experience, including experience in a range of issues related to responding to loss and damage and experience in financial institutions. The selection of staff will be managed by the Executive Director of the Fund and will be a merit-based, open and transparent process, taking into account geographical and gender balance and cultural and linguistic diversity.

33. The secretariat will be headed by the Executive Director of the Fund, who will be selected by the Board. The Board will approve the job description and required qualifications for the Executive Director. The Executive Director will be selected through a merit-based, open and transparent process and will have the necessary experience and skills for the position.

34. The secretariat will include regional desks for all relevant United Nations geographical regions, the staff of which will build and maintain relationships with relevant actors in their respective regions to facilitate regionally informed decision-making, assessments and planning as the secretariat undertakes its functions. Regional desks may support and facilitate access to the Fund, as appropriate. The secretariat should also seek to enable multilingual engagement, as appropriate.

2. Functions

35. The secretariat will be responsible for the day-to-day operations of the Fund and will:

(a) Plan and execute all relevant operational and administrative duties;

(b) Report information on the activities of the Fund to the Board;

(c) Develop and implement procedures for coordinating the activities of the Fund with those of other relevant funding arrangements;

(d) Prepare performance reports on the implementation of activities financed by the Fund;

(e) Develop the work programme and administrative budget of the secretariat, as well as the administrative budget of the trustee, and submit these documents for consideration and approval by the Board;

(f) Operationalize the programme and project cycle;

(g) Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;

(h) Monitor the financial risks of the Fund's portfolio;

(i) Work with the trustee to support the Board to enable it to fulfil its responsibilities;

(j) Coordinate monitoring and evaluation of programmes, projects and activities financed by the Fund;

(k) Establish and apply effective knowledge management practices;

(l) Establish modalities that allow recipients to use implementing entities, including international, regional, national and local entities, as appropriate, on the basis of functional equivalency with World Bank safeguards and standards;

(m) Assist countries in engaging with the Fund through its processes and procedures;

(n) Coordinate with the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change to support countries seeking to access the Fund through technical assistance through the network;

(o) Take a regionally informed approach in responding to context-specific operational needs, capabilities and priorities of recipient countries;

(p) Perform any other functions assigned by the Board.

F. Trustee

36. The trustee will administer the assets of the Fund only for the purpose of, and in accordance with, the relevant decisions of the Board. The trustee will hold the assets of the Fund separate and apart from the assets of the trustee, but may commingle them for administrative and investment purposes with other assets maintained by the trustee. The trustee will establish and maintain separate records and accounts in order to identify the assets of the Fund.

37. The roles and responsibilities of the trustee include the receipt of contributions, implementation of the terms of contribution arrangements, the holding and investing of funds, the transfer of funds to implementing entities and/or other relevant recipients, accounting, reporting, and financial and fiduciary management, as well as ensuring compliance with established procedures and internal controls. The trustee will maintain appropriate financial records and prepare financial statements and other reports required by the Board, in accordance with internationally accepted fiduciary standards.

38. The trustee will be accountable to the Board for the performance of its responsibilities as trustee for the Fund.

39. The trustee should ensure that the Fund can receive financial inputs from philanthropic foundations and other non-public and alternative sources, including new and innovative sources of finance.

40. The trustee will arrange for the secretariat or another appropriate mechanism to undertake due diligence to allow for the receipt of non-sovereign contributions.

IV. Operational modalities

41. The Fund will have a streamlined and rapid approval process with simplified criteria and procedures, while also maintaining high fiduciary standards, environmental and social safeguards, financial transparency standards and accountability mechanisms. The Fund will avoid disproportionate bureaucratic obstacles to the access of resources.

V. Eligibility, country ownership and access

A. Eligibility

42. Developing countries that are particularly vulnerable to the adverse effects of climate change are eligible to receive resources from the Fund.

B. Country ownership and access modalities

43. The Fund will seek to promote and strengthen national responses for addressing loss and damage through pursuing country-led approaches, including through effective involvement of relevant institutions and stakeholders, in particular women, vulnerable communities and Indigenous Peoples.

44. The Fund will be responsive to country priorities and circumstances. The Fund will seek to utilize, where appropriate and available, existing national and regional systems and financial mechanisms.

45. The Fund will promote, in all its operations, direct engagement at the national and, where appropriate, subnational and local level to facilitate efficiency and the achievement of concrete results.

46. The Fund will involve developing country Parties that are particularly vulnerable to the adverse effects of climate change during all stages of the Fund's programme and project cycle, insofar as their respective projects are concerned.

47. The Fund may provide support for activities relevant to preparing and strengthening national processes and support systems. This may include support for developing proposed activities, projects and programmes, such as planning activities for addressing loss and damage; estimating financial requirements for implementing loss and damage activities; and establishing national loss and damage finance systems.

48. Developing countries may designate a national authority or national focal point to be responsible for overall management and implementation of activities, projects and programmes supported by the Fund. The authority or focal point will be consulted on any requests for funding through any access modalities, including those referred to in paragraph 49 below.

49. The Board will develop various modalities to facilitate access to the Fund's resources. These modalities may include:

(a) Direct access via direct budget support through national Governments, or in partnership with entities whose safeguards and standards have been judged functionally equivalent to those of multilateral development banks;

(b) Direct access via subnational, national and regional entities or in partnership with entities accredited to other funds, such as the Adaptation Fund, the Global Environment Facility and the Green Climate Fund;

(c) International access via multilateral or bilateral entities;

(d) Access to small grants that support communities, Indigenous Peoples and vulnerable groups and their livelihoods, including with respect to recovery after climate-related events;

(e) Rapid disbursement modalities, as appropriate.

50. The Fund will develop simplified procedures and criteria for fast-tracked screening to determine functional equivalency with internationally recognized standards of national and/or regional funding entities' safeguards and standards to manage funded programmes and projects in country, as appropriate.

VI. Complementarity and coherence

51. The Fund will play a key role in coordinating a coherent global response to loss and damage between the Fund and the funding arrangements. The Fund will promote efforts that enhance complementarity and coherence, such as the exchange of information and good practices and consultation with existing and new mechanisms.

52. The Fund will develop methods to enhance complementarity between its activities and the activities of other relevant bilateral, regional and global funding mechanisms and institutions in order to better utilize the full range of financial and technical capacities.

53. The Fund will also promote coherence in programming at the national level. The Fund will form partnerships with other funding arrangements to address priority gaps in their activities with the aim of reinforcing those activities and leveraging the resources of the funding arrangements and, as appropriate, to provide additional and complementary sources of finance.

VII. Financial inputs

54. The Fund is able to receive contributions from a wide variety of sources of funding, including grants and concessional loans from public, private and innovative sources, as appropriate.[6]

55. The Fund will have a periodic replenishment every four years and will maintain the flexibility to receive financial inputs on an ongoing basis.

56. The Board will prepare a long-term fundraising and resource mobilization strategy and plan for the Fund to guide its mobilization of new, additional, predictable and adequate financial resources from all sources of funding.

VIII. Financial instruments

57. The Fund will provide financing in the form of grants and highly concessional loans on the basis of the Board's policy for the provision of grants, concessional resources and other financial instruments, modalities and facilities. In its provision of finance, the Fund will make use of, inter alia, triggers, climate impact relevant indicators, debt sustainability considerations and criteria developed by the Board, and take into account guidance from the COP and the CMA.

58. The Fund may deploy a range of additional financial instruments that take into consideration debt sustainability (grants, highly concessional loans, guarantees, direct budget support and policy-based finance, equity, insurance mechanisms, risk-sharing mechanisms, pre-arranged finance, performance-based programmes and other financial products, as appropriate) to augment and complement national resources for addressing loss and damage.

[6] This paragraph is without prejudice to any future funding arrangements, any positions of Parties in current or future negotiations, or understandings and interpretations of the Convention and the Paris Agreement.

59. The Fund should be able to facilitate the blending of finance from different financial tools to optimize the use of public funding, especially in order to ensure effective results for vulnerable populations and the ecosystems on which they depend.

IX. Allocation of funding

60. The Board will develop and operate a resource allocation system. This system will take into account, inter alia:

(a) The priorities and needs of developing countries that are particularly vulnerable to the adverse effects of climate change, while taking into consideration the needs of climate-vulnerable communities;

(b) Considerations of the scale of impacts of particular climate events relative to national circumstances, including but not limited to response capacities of the impacted countries;

(c) The need to safeguard against the overconcentration of support provided by the Fund in any given country, group of countries or region;

(d) The best available data and information from entities such as the Intergovernmental Panel on Climate Change and/or pertinent knowledge from Indigenous Peoples and vulnerable communities on exposure and sensitivity to the adverse effects of climate change and on loss and damage, recognizing that such data, information and knowledge may be limited for specific countries and regions;

(e) Estimates of recovery and reconstruction costs based on data and information from relevant entities, in particular national and/or regional entities, recognizing that such data or information may be limited for specific countries and regions;

(f) A minimum percentage allocation floor for the least developed countries and small island developing States.

61. The allocation system will be dynamic and will be reviewed by the Board.

X. Monitoring

62. Programmes, projects and other activities financed by the Fund will be regularly monitored for impact, efficiency and effectiveness. The use of participatory monitoring involving stakeholders is encouraged.

63. A results measurement framework, with guidelines and appropriate performance indicators, will be developed, considered and approved by the Board. The performance of programmes, projects and other activities against these indicators will be reviewed periodically in order to support the continuous improvement of the Fund’s impact, effectiveness and operational performance.

XI. Evaluation

64. Periodic independent evaluations of the performance of the Fund will be conducted in order to provide an objective assessment of the results of the Fund, including of the activities financed by the Fund, and its effectiveness and efficiency. The purpose of these independent evaluations is to inform decision-making by the Board, identify and disseminate lessons learned, and support the accountability of the Fund.

65. The results of the periodic evaluations will be published by the secretariat. They will also be provided as part of the annual report of the Board to the COP and the CMA.

66. The Fund will be subject to periodic reviews conducted by the COP and the CMA. These periodic reviews will be informed by, inter alia, the results of the independent evaluation and the annual reports of the Board to the COP and the CMA.

XII. Fiduciary standards

67. The Fund will ensure that high-integrity fiduciary principles and standards are applied to its activities, and, to this end, the secretariat will work towards ensuring that each implementing entity applies such fiduciary principles and standards when implementing activities financed by the Fund. The secretariat will support the strengthening of the capacities of direct access implementing entities, where needed, to enable them to attain functional equivalency with the World Bank's fiduciary principles and standards, on the basis of modalities that will be developed by the Board.

XIII. Environmental and social safeguards

68. The Fund will ensure that best practice environmental and social safeguard policies are applied to its activities, and, to this end, the secretariat will work towards ensuring that each implementing entity applies such best practice environmental and social safeguard policies when implementing activities financed by the Fund. The secretariat will support the strengthening of the capacities of direct access implementing entities, where needed, to enable them to attain functional equivalency with the World Bank's environmental and social safeguards, on the basis of modalities that will be developed by the Board.

XIV. Accountability and independent mechanisms

69. Activities financed by the Fund will be subject to the implementing entity's independent integrity unit or functional equivalent, which will work with the secretariat to investigate allegations of fraud and corruption in coordination with relevant counterpart authorities and report to the Board on any such investigations.

70. The Fund's operations, including with respect to activities financed by it, will be subject to the host institution's policy on access to information. The activities financed by the Fund will also be subject to each implementing entity's policy on access to information.

71. Activities financed by the Fund will use the implementing entity's independent grievance redress mechanism to address complaints related to activities financed by the Fund, which will take appropriate action based on any agreements, findings and/or recommendations and report to the Board on any such action.

XV. Amendments to the Governing Instrument

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

XVI. Termination of the Fund

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

Annex II

Funding arrangements

I. Objective and scope

1. The purpose of the new funding arrangements, which complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement, is to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage, including with a focus on addressing loss and damage by providing and assisting in mobilizing new and additional resources, including for addressing extreme weather events and slow onset events, especially in the context of ongoing and ex post action.[1]

2. The new funding arrangements include scaling up or enhancing existing and initiating new funding arrangements for responding to loss and damage.

3. The new funding arrangements will focus on providing and assisting in mobilizing new and additional resources while complementing sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement.

II. Coordination and complementarity

4. The funding arrangements will increase the coherence of and coordination across the loss and damage finance architecture. They will contribute to avoiding the duplication of effort, maximizing and leveraging comparative advantages, sharing best practices and promoting synergies among the communities of practice related to loss and damage while continuing to assist in mobilizing new, additional and predictable financial resources.

5. The funding arrangements should ensure coordination at the national and regional level while also ensuring coherence at the operational level and in programmatic approaches.

6. The funding arrangements are to work in a manner coherent with and complementary to the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4 (hereinafter referred to as the Fund), which will be made possible through the best use of existing mechanisms, such as the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) and the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

7. The Santiago network and its members should contribute to the above-mentioned coherence by aligning technical assistance catalysed under the network with efforts to build capacity and support the programmatic approaches of the Fund and the funding arrangements, as appropriate.

A. Relationship of the new funding arrangements with the Fund

8. The Fund will act as the platform for facilitating coordination and complementarity under the funding arrangements by establishing and operationalizing the high-level dialogue outlined in chapter II.B below.

9. The Board of the Fund is encouraged to create an approach for developing partnerships with other entities that form part of the funding arrangements.

10. The Board is requested to develop standard procedures informed, inter alia, by the work of the WIM to identify sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement that are assisting developing countries in responding to

[1] Decisions 2/CP.27, para. 2, and 2/CMA.4, para. 2.

loss and damage from sudden or slow onset events, including economic or non-economic loss and damage (i.e. funding arrangements), for the purpose of supporting strengthened coordination and complementarity.

B. High-level dialogue

11. An annual high-level dialogue on coordination and complementarity (the dialogue) with representatives from the main entities that form part of the funding arrangements will be organized to:

(a) Facilitate a structured and timely exchange of relevant knowledge and information, including between the entities that form part of the funding arrangements and the Fund;

(b) Strengthen capacity and synergies to enhance the integration of measures to respond to loss and damage into sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement by drawing on the experience of others, exchanging good policies and practices, and leveraging research and data systems;

(c) Promote the exchange of country and community experience in undertaking action to respond to loss and damage;

(d) Identify priority gaps and new opportunities for cooperation, coordination and complementarity;

(e) Develop recommendations on scaling up or enhancing existing as well as initiating new funding arrangements for responding to loss and damage.

12. The Board of the Fund will report on the dialogue through its annual report 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), and will include in the report information on actions to implement the recommendations arising from the dialogue, as well as recommendations on new funding arrangements.

13. The dialogue will be co-convened by the Fund and the United Nations Secretary-General, which may jointly designate a high-level representative that has the power to convene the entities that form part of the funding arrangements engaged in responding to loss and damage.

14. The dialogue will consist of no more than 30 high-level representatives of entities engaged in responding to loss and damage that form part of the new funding arrangements, invited by the co-conveners of the dialogue, including representatives of, inter alia:

(a) The Fund;

(b) The World Bank and regional development banks;

(c) The International Monetary Fund;

(d) Relevant United Nations agencies and other intergovernmental organizations as well as relevant regional, international, bilateral and multilateral organizations;

(e) Relevant multilateral climate funds, such as the Adaptation Fund, the Climate Investment Funds, the Global Environment Facility and the Green Climate Fund;

(f) The International Organization for Migration;

(g) The WIM Executive Committee and the Santiago network;

(h) Civil society, Indigenous Peoples and the philanthropic sector, as well as individual experts on loss and damage chosen on the basis of their expertise and their representation of different regions and perspectives.

15. The dialogue is to provide recommendations related to enhancing implementation of the objectives of the new funding arrangements in line with relevant COP and CMA decisions.

16. The dialogue will consider any comments or guidance from the COP and the CMA and will follow up on recommendations arising from previous dialogues.

III. Recommended actions with regard to the funding arrangements

17. Parties and relevant institutions should consider, as appropriate, developing and implementing additional funding arrangements for improving sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement to address gaps in the speed of disbursement of, eligibility for, adequacy of and access to finance, especially pre-arranged finance, for responding to various challenges, such as climate-related emergencies, slow onset events, displacement, relocation, migration, insufficient climate information and data, and the need for climate-resilient reconstruction and recovery.

18. A wide variety of sources, including innovative sources, should be made available to support and complement the new and existing arrangements, including sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement, and they should be made available in ways that ensure the new and existing funding arrangements target people and communities in climate-vulnerable situations (including women, children, youth, Indigenous Peoples, and climate-induced migrants and refugees in developing countries that are particularly vulnerable to the adverse impacts of climate change).

19. The Santiago network and its members should contribute to coherence by aligning the technical assistance catalysed under the network with efforts to build capacity and support programmatic approaches of the Fund and the funding arrangements.

20. The entities that form part of the funding arrangements should explore ways of better coordinating all channels of finance, including bilateral, regional and multilateral channels, with the aim of improving synergies and coherence among the existing and new arrangements for responding to loss and damage.

21. Initiatives such as Early Warnings for All, Climate Risk and Early Warning Systems, the Systematic Observations Financing Facility and the Global Shield against Climate Risks are welcome, and relevant actors are encouraged to increase their support for activities that enhance response to loss and damage.

22. United Nations agencies, multilateral development banks and bilateral agencies are invited to include, as appropriate, in their annual reports information on their efforts to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage, starting from 2024.

23. Multilateral development banks and relevant organizations such as the World Bank and the International Labour Organization are called on to scale up support for adaptive social protection mechanisms.

24. Relevant actors and contributors are urged to scale up anticipatory approaches through mechanisms such as the Central Emergency Response Fund, the Disaster Response Emergency Fund, the Start Network and country-based pooled funds.

25. The development of regional sources, funds, initiatives and processes to enhance approaches focused on unique regional challenges in responding to loss and damage should be explored. In this regard, the establishment of the Pacific Resilience Facility is welcomed.

26. Multilateral climate finance institutions and funds are encouraged to promote the inclusion of climate-induced migrants and refugees in their funded activities, consistently with existing investments, results frameworks, and funding windows and structures.

1st plenary meeting
6 December 2023

Decision 2/CP.28

Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts

The Conference of the Parties[1]

1. *Endorses* decision 6/CMA.5, on the Santiago network for averting, minimizing and addressing loss and damage under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which provides as follows:

> "1. *Recalls* that the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change was established to catalyse the technical assistance of relevant organizations, bodies, networks and experts for the implementation of relevant approaches to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change;[2]
>
> "2. *Also recalls* the request for the UNFCCC secretariat, under the guidance of the Chairs of the subsidiary bodies, to develop a draft host agreement (memorandum of understanding) with the host of the Santiago network secretariat recommended by the subsidiary bodies at their fifty-eighth sessions with a view to it being recommended for consideration and adoption by the governing body or bodies[3] at the session(s) to be held in November–December 2023;[4]
>
> "3. *Expresses appreciation* to Canada, Japan, Spain, Switzerland and the United States of America for their financial contributions to the work of the Santiago network;
>
> "4. *Recalls* decision 12/CMA.4, endorsed by decision 11/CP.27, which establishes the institutional arrangements of the Santiago network to enable its full operationalization, including to support its mandated role in catalysing technical assistance for the implementation of the relevant approaches at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change;[5]
>
> "5. *Also recalls* paragraph 16 of decision 12/CMA.4, which states that the Santiago network secretariat will be accountable to and operate under the guidance of the governing body or bodies through the Advisory Board of the Santiago network and hosted by an organization or a consortium of organizations able to provide the necessary administrative and infrastructural support for its effective functioning;
>
> "6. *Welcomes* the report on the hosting of the secretariat of the Santiago network,[6] prepared by the evaluation panel;[7]

[1] Nothing in this document prejudices Parties' views or prejudges outcomes on matters related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts.

[2] Decision 2/CMA.2, para. 43.

[3] As footnote 1 above.

[4] Decision 12/CMA.4, para. 24.

[5] In accordance with the process outlined in paras. 19–23, decision 12/CMA.4, endorsed by decision 11/CP.27.

[6] FCCC/SB/2023/1.

[7] Details on the evaluation panel and the process for selecting the host are available at https://unfccc.int/SNevalpanel.

"7. *Notes* that two proposals were received in response to the call for proposals to host the Santiago network secretariat,[8] the executive summaries of which are available on the UNFCCC website;[9]

"8. *Welcomes* the efforts of the proponents in responding to the call for proposals to host the Santiago network secretariat, of the evaluation panel in assessing the proposals and preparing the report referred to in paragraph 6 above and of the UNFCCC secretariat in providing support for the host selection process, all within a limited time frame;

"9. *Notes with appreciation* the completion of the selection process for the host of the secretariat of the Santiago network, which was supported by an evaluation panel comprising four members of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, two members of the Advisory Board of the Climate Technology Centre and Network and two members of the Paris Committee on Capacity-building and involved the participation of the two proponents that responded to the call for proposals for hosting the Santiago network secretariat;

"10. *Expresses appreciation* to both proponents that submitted proposals for hosting the Santiago network secretariat;

"11. *Selects* the joint proposal submitted by the consortium of the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services for the hosting of the Santiago network secretariat for an initial term of five years, with five-year renewal periods;[10]

"12. *Encourages* the consortium, as host of the Santiago network secretariat, to consider exploring areas for collaboration with the Caribbean Development Bank, which also submitted a proposal for hosting, where appropriate;

"13. *Authorizes* the Executive Secretary to sign, on behalf of the governing body or bodies, the agreement between the governing body or bodies and the consortium regarding the hosting of the Santiago network secretariat;

"14. *Requests* the consortium, as host of the Santiago network secretariat, to ensure that the necessary arrangements are in place for the meetings of the Advisory Board of the Santiago network, including privileges and immunities for members of the Board in line with existing practice;

"15. *Also requests* the consortium, as host of the Santiago network secretariat, to undertake, by the end of January 2024, an analysis of the cost-effectiveness, including a cost–benefit analysis, of various locations around the world as options for the location of the head office of the Santiago network secretariat from a pool of potential locations that can provide the privileges and immunities referred to in paragraph 14 above, and to provide to the Advisory Board of the Santiago network the results of the analysis with its recommendation on which location would be the most cost-effective and suitable in the light of the roles and responsibilities and the organizational structure of the Santiago network secretariat as detailed in annex I to decision 12/CMA.4 for consideration and a decision thereon by the Advisory Board at its 1st meeting, to be held in 2024;

"16. *Encourages* the consortium, as host of the Santiago network secretariat, to make the necessary arrangements to promptly launch work under the Santiago network upon conclusion of the November–December 2023 session(s) of the governing body or bodies, including the appointment of a director of the secretariat through a merit-based, open and transparent process, who will facilitate the timely

[8] The call was issued on 31 December 2022 and is available at https://unfccc.int/documents/624794.

[9] https://unfccc.int/proposalsSNhost.

[10] Pursuant to decision 12/CMA.4, annex I, para. 21.

recruitment of the staff of the secretariat in line with the terms of reference of the Santiago network;[11]

"17. *Requests* the Santiago network secretariat to facilitate the 1st meeting of the Advisory Board of the Santiago network, to take place in 2024;

"18. *Also requests* the Santiago network secretariat to start managing, as soon as possible, the day-to-day operations of the secretariat, in line with its role and responsibilities;

"19. *Adopts* the memorandum of understanding between the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the one hand and the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services on the other regarding the hosting of the Santiago network secretariat, as contained in the annex;

"20. *Reaffirms* that technical assistance provided under the Santiago network in a demand-driven manner will be developed through an inclusive, country-driven process, taking into account the needs of vulnerable people, Indigenous Peoples and local communities;

"21. *Also reaffirms* that, when technical assistance is provided under the Santiago network, it should take into consideration the cross-cutting issues referred to in the eleventh preambular paragraph of the Paris Agreement;

"22. *Reiterates* the request[12] to the UNFCCC secretariat to continue providing support for developing countries that are particularly vulnerable to the adverse effects of climate change that may seek or wish to benefit from the technical assistance available from organizations, bodies, networks and experts under the Santiago network, until the Santiago network secretariat is operational;

"23. *Requests* the UNFCCC secretariat to develop draft guidelines on preventing potential and addressing actual and perceived conflicts of interest in relation to the Santiago network, including any conflicts of interest that may arise when organizations, bodies, networks and experts are engaged in providing technical support to the Santiago network secretariat while responding to technical assistance requests, or when the host of the Santiago network secretariat is responding as an organization, body, network or expert to technical assistance requests, for review and approval by the Advisory Board of the Santiago network at its 1st meeting;

"24. *Also requests* the Santiago network secretariat to:

(a) Adhere to the mandate of the Santiago network and its functions, including facilitating the consideration of a wide range of topics relevant to averting, minimizing and addressing loss and damage, including but not limited to current and future impacts, priorities and actions related to averting, minimizing and addressing loss and damage pursuant to decisions 3/CP.18 and 2/CP.19; the areas referred to in Article 8, paragraph 4, of the Paris Agreement; and the strategic workstreams of the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism;

(b) Assume its roles and responsibilities, including that it shall be accountable to and operate under the guidance of the Advisory Board of the Santiago network, recognizing the different mandates of the host and the Santiago network, and that the Advisory Board will provide guidance and oversight to the Santiago network secretariat on the effective implementation of the functions of the network;

(c) Report annually to the Advisory Board of the Santiago network information on the in-kind and other support provided by its host that has contributed

[11] Decision 12/CMA.4, annex I, para. 15.
[12] Decision 12/CMA.4, para. 15.

to its ability to assume its roles and responsibilities, as set out in the terms of reference of the Santiago network;[13]

(d) Make use of regional and subregional United Nations offices in all United Nations geographical regions, as appropriate, to serve as designated units to provide relevant services and support for catalysing effective and timely technical assistance in developing countries particularly vulnerable to the adverse effects of climate change;

(e) Include in its annual report to the Advisory Board of the Santiago network information on the inclusive, balanced and equitable nature of the technical assistance catalysed across all regions with developing countries particularly vulnerable to the adverse effects of climate change and take action, as appropriate;

(f) Have a lean, cost-efficient organizational structure;[14]

(g) Make provisions for discussion on further arrangements for the implementation of the host agreement (memorandum of understanding) in line with future decisions of the governing body or bodies;

(h) Carry out financial management, auditing and reporting functions and implement a robust accountability system, sound financial systems of international standard, and a fiduciary record that ensures the correct, impartial administering and disbursement of funds;

"25. *Further requests* the Advisory Board of the Santiago network to develop its draft rules of procedure with a view to recommending them, through the subsidiary bodies at their sixty-first sessions (November 2024), for consideration and adoption by the governing body or bodies at the session(s) to be held in November 2024;

"26. *Invites* the Advisory Board of the Santiago network to consider and take appropriate action to catalyse technical assistance of relevant organizations, bodies, networks and experts at the local, national and regional level in developing countries particularly vulnerable to the adverse effects of climate change, including through the provision of guidance for the development by the Santiago network secretariat of guidelines and procedures[15] for ensuring the demand-driven nature of all requests for technical assistance submitted under the Santiago network, and to safeguard against conflicts of interest in, or, as appropriate, the overconcentration of, the provision and delivery of technical assistance through or by specific organizations, bodies, networks and experts;

"27. *Also invites* the Advisory Board of the Santiago network to provide guidance to the Santiago network secretariat on developing guidelines and procedures for enabling access to and assisting in preparing requests for technical assistance that recognize the significant capacity constraints of the least developed countries and small island developing States;

"28. *Requests* the host of the Santiago network secretariat to ensure that the Santiago network and its secretariat are able to receive the required financial and other support from a wide variety of sources through all parts of the consortium to implement the terms of reference of the Santiago network;

"29. *Recalls* paragraph 67 of decision 1/CMA.3, in which it was decided that the Santiago network will be provided with funds to support technical assistance for the implementation of relevant approaches to avert, minimize and address loss and damage associated with the adverse effects of climate change in developing countries in support of the functions set out in paragraph 9 of decision 19/CMA.3;

[13] Decision 12/CMA.4, annex I, para. 19.

[14] In accordance with decision 12/CMA.4, annex I, para. 13.

[15] In accordance with para. 17(b) of decision 12/CMA.4, endorsed by decision 11/CP.27.

"30. *Also recalls* paragraph 70 of decision 1/CMA.3, which urged developed country Parties to provide funds for the operation of the Santiago network and for the provision of technical assistance as set out in paragraph 67 of the same decision;

"31. *Further recalls* paragraph 6 of decision 12/CMA.4, endorsed by decision 11/CP.27, which encouraged others to provide support for the operation of the Santiago network and for the provision of technical assistance under the network;

"32. *Welcomes* the pledges made to the Santiago network as at 6 December 2023 by the European Union and its member States Denmark, Germany, Ireland and Luxembourg, and by Switzerland and the United Kingdom of Great Britain and Northern Ireland, amounting to approximately USD 40.7 million;[16]

"33. *Recalls* paragraph 69 of decision 1/CMA.3, which states that the Santiago network secretariat will administer the funds referred to in paragraph 67 of the same decision;

"34. *Welcomes* decisions 1/CP.28 and 5/CMA.5 on the operationalization of the new funding arrangements, including a fund, for assisting developing countries particularly vulnerable to the adverse effects of climate change in responding to loss and damage referred to in paragraphs 2–3 of decisions 2/CP.27 and 2/CMA.4, taking note of the parts of those decisions that relate to the Santiago network;

"35. *Requests* the Advisory Board of the Santiago network to designate up to two representatives to take part in the annual high-level dialogue on coordination and complementarity with representatives of the main entities forming part of the new funding arrangements, referred to in paragraph 2 of decisions 2/CP.27 and 2/CMA.4, pursuant to paragraphs 11–16 of annex II to decisions 1/CP.28 and 5/CMA.5;

"36. *Invites* the Santiago network secretariat to coordinate with the secretariat of the fund referred to in paragraph 3 of decisions 2/CP.27 and 2/CMA.4 in supporting developing countries particularly vulnerable to the adverse effects of climate change in seeking to access the fund through technical assistance and to contribute to coherence and complementarity with the fund by aligning the technical assistance it catalyses under the Santiago network to build capacity and support programmatic approaches of the funding arrangements, including a fund, referred to in paragraphs 2–3 of decisions 2/CP.27 and 2/CMA.4, as appropriate;

"37. *Decides* that, once the outstanding nominations for the Advisory Board of the Santiago network[17] have been received by the UNFCCC secretariat, the nominees will be deemed elected at this session or these sessions of the governing body or bodies, in accordance with established practice;

"38. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its sixth session (November 2024);[18]

"39. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the UNFCCC secretariat referred to in paragraphs 22–23 above;

"40. *Requests* that the actions of the UNFCCC secretariat called for in this decision be undertaken subject to the availability of financial resources."

2. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its twenty-ninth session (November 2024).[19]

[16] Noting that this does not set a precedent for making pledges to the Santiago network.

[17] In accordance with decision 12/CMA.4, paras. 10–13.

[18] It is noted that discussions on the governance of the Warsaw International Mechanism did not produce an outcome; this is without prejudice to further consideration of this matter.

[19] As footnote 18 above.

Annex*

Memorandum of understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, on the one hand, and the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services, on the other, regarding the hosting of the Santiago network secretariat

This memorandum of understanding (MOU) is concluded between the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) (hereinafter referred to as the "governing body or bodies"[1]) on the one hand and the United Nations Office for Disaster Risk Reduction (UNDRR) and the United Nations Office for Project Services (UNOPS) on the other (hereinafter each referred to as "the Party" and collectively referred to as "the Parties"), regarding the hosting of the secretariat of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change.

Whereas, the CMA, by decision 2/CMA.2, noted by the COP in decision 2/CP.25, established, as part of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change,

Whereas, the mission of the Santiago network is to catalyse the technical assistance of relevant organizations, bodies, networks and experts for the implementation of relevant approaches for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change at the local, national and regional level in developing countries that are particularly vulnerable to the adverse effects of climate change,

Whereas, the CMA, by decision 19/CMA.3, endorsed by the COP in decision 17/CP.26, decided the functions of the Santiago network,[2] which include facilitating the consideration of a wide range of topics relevant to averting, minimizing and addressing loss and damage approaches, including but not limited to current and future impacts, priorities and actions related to averting, minimizing and addressing loss and damage, pursuant to decisions 3/CP.18 and 2/CP.19, the areas referred to in Article 8, paragraph 4, of the Paris Agreement and the strategic workstreams of the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism (hereinafter referred to as the "Executive Committee"),

Whereas, the CMA, by decision 12/CMA.4, endorsed by the COP in decision 11/CP.27, adopted the terms of reference of the Santiago network[3] (hereinafter referred to as the "terms of reference") and decided that as part of its structure the Santiago network will have a hosted secretariat, to be known as the Santiago network secretariat, an Advisory Board and a network of member organizations, bodies, networks and experts,[4]

* Annex to decision 6/CMA.5 (see footnote 1 to this decision), endorsed by the Conference of the Parties in this decision.

[1] Nothing in this MOU prejudices the views of the Parties to the Convention or the views of the Parties to the Paris Agreement or prejudges outcomes on matters related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts. This is without prejudice to further consideration of this matter.

[2] Decision 19/CMA.3, para. 9, with the decision endorsed by the COP in decision 17/CP.26.

[3] Decision 12/CMA.4, annex I.

[4] Decision 12/CMA.4, paras. 3 and 8, with the decision endorsed by the COP in decision 11/CP.27.

Whereas, UNDRR and UNOPS submitted a joint proposal dated 31 March 2023 (hereinafter referred to as the "Proposal") regarding the hosting of the Santiago network secretariat,

Whereas, UNDRR aims to substantially reduce the risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries as part of its mandate to support the implementation, follow-up and review of the Sendai Framework for Disaster Risk Reduction 2015–2030,

Whereas, UNOPS is an operational arm of the United Nations established by United Nations General Assembly decision 48/501 of 19 September 1994 and acts as a central resource for the United Nations system in procurement, contracts management and other capacity development activities, as well as providing efficient, cost-effective services to partners in its specialized areas,

Whereas, the CMA, by decision 6/CMA.5, endorsed by decision 2/CP.28, selected the Proposal for the hosting of the Santiago network secretariat,

Whereas, UNOPS confirms that it has the necessary authorization to enter into this MOU,

Whereas, the United Nations General Assembly, by decision 78/546,[5] authorized UNDRR to enter into this MOU,

Whereas, the UNFCCC Executive Secretary is authorized by the governing body or bodies to sign this MOU on behalf of the governing body or bodies,

NOW THEREFORE the Parties to this MOU have agreed to the following:

I. Purpose

1. The purpose of this MOU is to stipulate the terms of the relationship between the governing body or bodies and UNDRR and UNOPS with respect to the hosting of the Santiago network secretariat in accordance with decision 6/CMA.5, endorsed by the COP in decision 2/CP.28.

II. Role and responsibilities of the governing body or bodies[6]

2. The Santiago network secretariat shall be accountable to and operate under the guidance of the governing body or bodies through the Advisory Board of the Santiago network (hereinafter referred to as the "Advisory Board").

3. The governing body or bodies shall consider the joint annual report of the Santiago network and the Executive Committee, submitted through the subsidiary bodies in accordance with paragraph 19 of annex I to decision 12/CMA.4, endorsed by decision 11/CP.27, and other future decisions of the governing body or bodies, and provide guidance thereon.

4. In taking decisions that would affect the hosting of the Santiago network secretariat, the governing body or bodies shall take into consideration any views and information provided by UNDRR and UNOPS as host of the Santiago network secretariat.

[5] Decision entitled "Authorization for the United Nations Office for Disaster Risk Reduction regarding the hosting of the secretariat of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change".

[6] Nothing in this MOU prejudices the views of the Parties to the Convention or the views of the Parties to the Paris Agreement or prejudges outcomes on matters related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts. This is without prejudice to further consideration of this matter.

III. Role and responsibilities of the Advisory Board of the Santiago network

5. The members of the Advisory Board shall be elected in accordance with decision 12/CMA.4, endorsed by decision 11/CP.27.

6. The Advisory Board shall provide guidance and oversight to the Santiago network secretariat on the effective implementation of the functions of the Santiago network in accordance with its terms of reference.

IV. Role and responsibilities of the United Nations Office for Disaster Risk Reduction and the United Nations Office for Project Services

7. UNDRR and UNOPS will host the Santiago network secretariat as a dedicated secretariat in accordance with the provisions of this MOU and the terms of reference, as well as with their respective legal and regulatory frameworks, including regulations, rules and procedures. Cooperation between UNDRR and UNOPS will be addressed in a separate agreement between the two organizations.

8. UNDRR and UNOPS shall make regional and subregional UNDRR offices in all United Nations geographical regions available, as appropriate, to serve as designated units for providing relevant services and support for catalysing effective and timely technical assistance in developing countries that are particularly vulnerable to the adverse effects of climate change.

9. UNOPS, in consultation with UNDRR, shall design a lean, cost-effective organizational structure and provide the necessary administrative and infrastructural support for the effective functioning of the Santiago network secretariat, in accordance with relevant UNOPS regulations, rules and procedures, and subject to the financing provided pursuant to chapter VII below.

10. UNOPS shall appoint, in consultation with UNDRR, subject to the endorsement of the Advisory Board[7] and pursuant to the Staff Regulations and Rules of the United Nations,[8] the Director of the Santiago network secretariat through a merit-based, open and transparent process.

11. UNOPS shall appoint, in consultation with UNDRR and in accordance with technical guidance from UNDRR, pursuant to the Staff Regulations and Rules of the United Nations, consistently with paragraph 33 below, a small core team of professional and administrative staff, managed by the Director, to support the Santiago network secretariat in meeting its responsibilities and performing its functions efficiently and effectively.

12. UNDRR will provide the Santiago network secretariat with technical backstopping and expertise in the domain of averting, minimizing and addressing loss and damage consistently with the guidelines for preventing potential and addressing actual and perceived conflicts of interest in relation to the Santiago network (see para. 15 below).

13. UNDRR and UNOPS shall provide in-kind and other support for the Santiago network secretariat to carry out its roles and responsibilities, as set out in the terms of reference of the Santiago network.

14. UNDRR and UNOPS shall provide periodic updates on matters regarding the Santiago network secretariat, and the Santiago network secretariat shall make this information available in the annual report prepared in accordance with paragraph 19 of annex I to decision 12/CMA.4, endorsed by decision 11/CP.27.

15. UNDRR and UNOPS shall implement the guidelines preventing potential and addressing actual and perceived conflicts of interest in relation to the Santiago network,

[7] In accordance with decision 12/CMA.4, annex I, para. 7(g).
[8] Available at https://digitallibrary.un.org/record/3930354.

including any conflicts of interest that may arise when organizations, bodies, networks and experts are engaged in providing technical support to the Santiago network secretariat while responding to technical assistance requests, or when the host of the Santiago network secretariat is responding as an organization, body, network or expert to technical assistance requests, which shall be approved by the Advisory Board at its 1st meeting.

16. UNDRR and UNOPS shall provide support to the work of the Advisory Board and ensure that the necessary arrangements are in place for the meetings of the Advisory Board, including privileges and immunities for members of the Board in line with existing practice.

17. The respective heads of UNDRR and UNOPS shall be responsible for the execution of the functions of UNDRR and UNOPS under this MOU in accordance with their respective legal and regulatory frameworks, including their regulations, rules, policies and procedures. UNDRR and UNOPS shall be legally responsible for any allegations, claims and/or damages arising from the activities performed pursuant to this MOU in the event of gross negligence or wilful misconduct on the respective parts of UNDRR and UNOPS and their personnel.

V. Role and functions of the Santiago network secretariat

18. The Santiago network secretariat shall operate within its terms of reference[9] and shall be accountable to and operate under the guidance of the Advisory Board and in accordance with relevant decisions of the governing body or bodies.

19. The Santiago network secretariat shall facilitate the implementation of the functions of the network and shall manage its day-to-day operations in accordance with decision 12/CMA.4, paragraph 6, endorsed by decision 11/CP.27, and other relevant decisions of the governing body or bodies.

20. The Santiago network secretariat shall elaborate modalities and procedures for the network under the guidance of and by the approval of the Advisory Board.[10]

21. The Santiago network secretariat shall develop and execute a work programme, to be approved by the Advisory Board, building on synergies with the five-year rolling workplan of the Executive Committee.[11]

22. The Santiago network secretariat shall manage and direct the disbursement of funds provided for the network consistently with respective UNOPS and UNDRR fiduciary principles and standards that promote a high level of integrity.

23. The Santiago network secretariat shall make use of regional and subregional United Nations offices in all United Nations geographical regions, as appropriate, to serve as designated units to provide relevant services and support for catalysing effective and timely technical assistance in developing countries particularly vulnerable to the adverse effects of climate change.

24. The Santiago network secretariat shall prepare, under the guidance of the Advisory Board, an annual report on the activities of the Santiago network secretariat and the Santiago network and on the performance of their respective functions for consideration and approval by the Advisory Board.[12] The annual report shall include the elements referred to in paragraph 18 of annex I to decision 12/CMA.4, endorsed by decision 11/CP.27.

25. The Santiago network secretariat shall report annually to the Advisory Board information on the in-kind and other support provided by UNDRR and UNOPS that has contributed to its ability to carry out its roles and responsibilities, as set out in the terms of reference.

26. The Santiago network secretariat shall administer, through UNOPS and, where required, UNDRR, in accordance with their respective regulations, rules and procedures, the funds that will be provided to the Santiago network to support technical assistance for the

[9] Decision 12/CMA.4, annex I, chap. IV.A.
[10] Decision 12/CMA.4, para. 17.
[11] Decision 12/CMA.4, annex I, chap IV.B.
[12] Decision 12/CMA.4, annex I, chap. VIII.

implementation of relevant approaches to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change in developing countries that are particularly vulnerable to those effects in support of the functions of the Santiago network, including the engagement of appropriate organizations, bodies, networks and experts. The funds will be managed in accordance with the respective regulations and rules of UNOPS and UNDRR, as applicable.

27. The Santiago network secretariat shall carry out financial management, auditing and reporting functions and implement a robust accountability system, sound financial systems of international standard, and a fiduciary record that ensures the correct, impartial administering and disbursement of funds. The annual financial audit, in accordance with the United Nations single audit principle, shall be carried out in accordance with UNOPS regulations, rules and policies regarding audit, and will be made available to the Advisory Board and the funding sources within six months of the closure of the financial year.

28. The Santiago network secretariat shall ensure the coordination and collaboration of the Santiago network with relevant UNFCCC constituted bodies, in particular the Executive Committee, as well as exploring synergies with other initiatives and networks.

VI. Role and functions of the Director and staff of the Santiago network secretariat

29. The Director of the Santiago network secretariat shall provide strategic leadership to the network and manage its secretariat.

30. The Director shall have a fixed term of office no longer than the term of the MOU, which may be renewed subject to endorsement by the Advisory Board.

31. The Director shall be accountable to the Executive Director of UNOPS for administrative issues relating to the administrative effectiveness and efficiency of the Santiago network secretariat in accordance with relevant UNOPS regulations, rules and procedures, and to the Advisory Board for the effective implementation of the functions of the Santiago network. UNDRR may provide technical advice to the Director as needed.

32. The Director shall serve as the secretary to the Advisory Board and be responsible for facilitating and providing support for its work.

33. The Director shall facilitate timely recruitment of the staff of the secretariat in line with the terms of reference.

VII. Financial arrangements of the Santiago network secretariat

34. The costs associated with the Santiago network secretariat and the mobilization of the services of the network will be funded consistently with decision 1/CMA.3, paragraph 70, and decision 12/CMA.4, paragraph 6, subject to separate funding agreements to be entered into on behalf of the Santiago network secretariat by UNDRR and/or UNOPS as applicable, and the funding sources, and in-kind and other support from UNDRR and UNOPS as outlined in the Proposal.

35. UNDRR and UNOPS shall ensure that the Santiago network and its secretariat are able to receive the required financial and other support from a wide variety of sources through both UNDRR and UNOPS to implement the terms of reference.

36. For the implementation of the workplan of the Santiago network secretariat, a management fee will be applied to the overall budget in accordance with the relevant UNOPS regulations and rules on cost recovery for its services.

37. UNDRR will manage any dedicated funding received in accordance with the United Nations regulations and rules for the management of voluntary contributions and will recover any direct cost incurred while hosting the Santiago network secretariat, in accordance with its rules and regulations.

VIII. Review of the Santiago network secretariat

38. The Santiago network secretariat shall commission one independent review of the performance of the network, including sustainability and sources of funding, adequacy of funding levels relative to technical assistance requests, timelines, effectiveness, engagement, gender-responsiveness and delivery of technical assistance to communities particularly vulnerable to the adverse effects of climate change, in a timely manner so that the findings of the review can feed into the subsequent review of the Warsaw International Mechanism[13] for determining the need for further independent reviews of the performance of the Santiago network.[14]

IX. Implementation of this memorandum of understanding

39. The Advisory Board, UNDRR and UNOPS may agree on further arrangements for the implementation of this MOU in line with future decisions of the governing body or bodies and report thereon to the governing body or bodies. Future arrangements for the implementation of this MOU do not in any way amend the existing provisions of this MOU.

40. Nothing in or relating to this MOU will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

X. Dispute settlement

41. The governing body or bodies, through the Advisory Board, and as facilitated by the UNFCCC secretariat, and UNDRR and UNOPS shall make their best efforts to amicably resolve any disputes, controversies or claims arising out of or relating to this MOU, including through use of mutually agreed dispute resolution methods.

XI. Entire agreement

42. Any annex to this MOU that is concluded in the future will be considered an integral part of this MOU. References to this MOU will be construed as including any annexes, as varied or amended in accordance with the terms of this MOU. This MOU represents the complete understanding between the Parties.

XII. Interpretation

43. This MOU will be interpreted in accordance with relevant decisions of the governing body or bodies and the legal and regulatory framework of UNOPS and UNDRR, as applicable, including the regulations, rules, policies and procedures of the United Nations Secretariat.

44. Any Party’s failure to request the implementation of a provision of this MOU will not constitute a waiver of that or any other provision of this MOU.

XIII. Term of this memorandum of understanding

45. The initial term of this MOU shall be five years from its entry into force, with five-year renewal periods, if so decided by the governing body or bodies and UNDRR and UNOPS.

[13] Decision 2/CMA.2, para. 46.
[14] Decision 12/CMA.4, annex I, para. 20.

XIV. Notification and amendment

46. Each Party will promptly notify the other in writing of any anticipated or actual material changes that will affect the execution of this MOU.

47. The Parties may amend this MOU by mutual written agreement.

XV. Entry into force

48. This MOU will enter into force upon the last date of signature by the duly authorized representatives of the Parties.

XVI. Termination

49. Subject to chapter XIII above, any Party may terminate this MOU by giving one year's prior written notice to the other Parties. The termination shall come into effect one year from the date of the receipt of such a communication.

50. Following the termination of this MOU, UNDRR and UNOPS shall take all necessary action to conclude their operations relating to the Santiago network secretariat in an expeditious manner. Any termination of this MOU will be without prejudice to any other rights and obligations of the Parties accrued prior to the date of the termination under this MOU or any legal instrument executed pursuant to this MOU.

5th plenary meeting
11 December 2023

Decision 3/CP.28

Report of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts

The Conference of the Parties[1]

1. *Endorses* decision 7/CMA.5, on the report of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, and the report of the Executive Committee,[2] which provides as follows:

"1. *Welcomes* the 2023 report of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts[3] and *endorses* the recommendations in the report;

"2. *Notes with appreciation* the work of the Executive Committee and its thematic expert groups (three expert groups, a technical expert group and a task force) to date, including their progress in advancing the development of technical guides[4] informed by the best available science, and the efforts of the Executive Committee to organize activities to commemorate the tenth anniversary of the establishment of the Warsaw International Mechanism;

"3. *Expresses appreciation* to the organizations, experts and relevant stakeholders that contributed to the work reported in the document referred to in paragraph 1 above, including in relation to:

(a) The achievements of the thematic expert groups of the Executive Committee;

(b) The submission of information pursuant to paragraph 44 of decision 2/CMA.2, which is noted in decision 2/CP.25, relevant to the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change;

(c) Activities related to the tenth anniversary of the establishment of the Warsaw International Mechanism, such as the submission of photographs for the photography exhibition;[5]

"4. *Also expresses appreciation* to the Government of the Philippines for hosting the 18th meeting of the Executive Committee and *invites* other Parties to offer to host future meetings of the Committee, as appropriate, with a view to broadening the range of stakeholders involved, and facilitating active engagement of Parties, in the work of the Committee across regions;

"5. *Encourages* relevant organizations and experts to continue to contribute as referred to in paragraph 3(a–b) above;

"6. *Also encourages* the Executive Committee to continue to strengthen dialogue, coordination, coherence and synergies with relevant bodies and organizations under and outside the Convention and the Paris Agreement;

[1] Nothing in this document prejudices Parties' views or prejudges outcomes on matters related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts.

[2] FCCC/SB/2023/4 and Add.1–2.

[3] As footnote 2 above.

[4] In accordance with para. 26 of decision 2/CMA.2, which is noted in decision 2/CP.25.

[5] Under activity 1 of the five-year rolling workplan of the Executive Committee, contained in annex I to document FCCC/SB/2022/2/Add.2. Information on the photography exhibition is available at https://unfccc.int/wim-excom/L-and-D-in-focus.

"7. *Requests* the Executive Committee, in implementing its functions,[6] to:

(a) Consider ways to collaborate with the entities that form part of the funding arrangements, including a fund, established in paragraphs 2–3 of decisions 2/CP.27 and 2/CMA.4,[7] and report on the outcomes of that consideration in its annual reports;

(b) Engage actively in the work under the Santiago network and collaborate with the Advisory Board of the Santiago network through the representation of the Executive Committee on the Board as provided for in decision 12/CMA.4 and endorsed in decision 11/CP.27;

(c) Promote the use of the technical guides and knowledge products developed by the Executive Committee and its thematic expert groups, at the regional and national level, including for undertaking activities under the Santiago network and during dedicated virtual meetings, as appropriate;

(d) Consider translating, as appropriate, relevant outputs of the work of the Executive Committee and its thematic expert groups into all official United Nations languages so as to maximize their added value and promote their dissemination;

(e) Continue to develop, as appropriate and in collaboration with its thematic expert groups, technical guides on relevant topics under all the strategic workstreams of its five-year rolling workplan;[8]

"8. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its sixth session (November 2024);[9]

"9. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs 1 and 7 above;

"10. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources."

2. *Notes* that considerations related to the governance of the Warsaw International Mechanism will continue at its twenty-ninth session (November 2024).[10]

6th plenary meeting
13 December 2023

[6] As set out in decision 2/CP.19, para. 5.

[7] For reference to the engagement of the Executive Committee of the Warsaw International Mechanism in the annual high-level dialogue on coordination and complementarity under the funding arrangements for responding to loss and damage, see annex II to decisions 1/CP.28 and 5/CMA.5.

[8] Contained in annex I to document FCCC/SB/2022/2/Add.2.

[9] It is noted that discussions on the governance of the Warsaw International Mechanism did not produce an outcome; this is without prejudice to further consideration of this matter.

[10] As footnote 9 above.

Decision 4/CP.28

Long-term climate finance

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 1/CP.16, paragraphs 2, 4 and 97–101, 2/CP.17, paragraphs 126–132, 4/CP.18, 3/CP.19, 5/CP.20, 1/CP.21, 5/CP.21, 7/CP.22, 6/CP.23, 3/CP.24, 1/CP.26, 4/CP.26 and 13/CP.27,

1. *Recalls* the commitment of developed country Parties, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing country Parties in accordance with paragraph 98 of decision 1/CP.16;

2. *Also recalls* that, in accordance with paragraph 53 of decision 1/CP.21, developed country Parties reaffirmed the continuation of their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation;

3. *Notes with deep regret* that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation was not met in 2021 and *welcomes* the ongoing efforts of developed country Parties towards achieving the goal of mobilizing jointly USD 100 billion per year;

4. *Notes* the efforts by developed country Parties to improve transparency of its delivery[1] and *looks forward* to further information on positive progress on the delivery made in 2022;

5. *Notes* the different estimates, in the report by the Standing Committee on Finance on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation,[2] of progress towards achieving the goal of mobilizing jointly USD 100 billion per year from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources, and *recognizes* the lack of a common definition and accounting methodology in this regard;

6. *Urges* developed country Parties to fully deliver on the USD 100 billion per year goal urgently and through 2025, noting the significant role of public funds, and *calls on* developed country Parties to further enhance the coordination of their efforts to deliver the goal;

7. *Notes* the note by the President of the twenty-seventh session of the Conference of the Parties on the fifth biennial high-level ministerial dialogue on climate finance,[3] in particular the key messages contained therein;

8. *Welcomes* the recent pledges to the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund;

9. *Also welcomes* contributions to the work on long-term finance and work related to the activities referred to in paragraph 17 below;

10. *Emphasizes* the need for further efforts to enhance access to climate finance, including through harmonized, simplified and direct access procedures, to address the needs of

[1] See https://www.auswaertiges-amt.de/blob/2631906/4eee299dac91ba9649638cbcfae754cb/231116-deu-can-bnrief-data.pdf.

[2] Standing Committee on Finance. 2022. *Report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation*. Bonn: UNFCCC. Available at https://unfccc.int/process-and-meetings/bodies/constituted-bodies/standing-committee-on-finance-scf/progress-report.

[3] FCCC/CP/2023/7.

developing country Parties, in particular for the least developed countries and small island developing States;

11. *Encourages* developed country Parties to consider ways to enhance access to climate finance to respond to the needs and priorities of developing country Parties;

12. *Acknowledges* the fiscal constraints and increasing costs to adapt to the adverse effects of climate change and, in this context, *reiterates* the need for public and grant-based resources for adaptation in developing country Parties, especially those that are particularly vulnerable and have significant capacity constraints, such as the least developed countries and small island developing States;

13. *Also reiterates* that a significant amount of adaptation finance should come from the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund;

14. *Requests* Parties to continue strengthening their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance;

15. *Recognizes* the need to improve the effectiveness and quality of climate finance provided and mobilized from developed country Parties to achieve tangible impacts in developing country Parties and to improve transparency in this regard;

16. *Also recognizes* the importance of support provided and mobilized by developed country Parties to facilitate enhanced ambition and implementation;

17. *Reiterates* that the secretariat, in collaboration with the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional and other multilateral channels, will continue to explore ways and means to assist developing country Parties in assessing their needs and priorities in a country-driven manner, including their technological and capacity-building needs, and in translating climate finance needs into action;[4]

18. *Requests* the secretariat to prepare a report on its activities referred to in paragraph 17 above, to be made available to the Conference of the Parties at its twenty-ninth session (November 2024);

19. *Takes note* of the outline for the second report of the Standing Committee on Finance on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation[5] and *looks forward* to the deliberations on the report at the twenty-ninth session of the Conference of the Parties;

20. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs 17–19 above;

21. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

6th plenary meeting
13 December 2023

[4] Decision 6/CP.23, para. 10.
[5] FCCC/CP/2023/2–FCCC/PA/CMA/2023/8, annex V.

Decision 5/CP.28

Matters relating to the Standing Committee on Finance

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 12/CP.2, 12/CP.3, 1/CP.16, paragraph 112, 2/CP.17, paragraphs 120–121, 5/CP.18, 5/CP.19, 7/CP.19, 6/CP.20, 6/CP.21, 8/CP.22, 7/CP.23, 8/CP.23, 4/CP.24, 11/CP.25, 5/CP.26, 14/CP.27, 5/CMA.2, 10/CMA.3 and 14/CMA.4,

Taking note of decision 9/CMA.5,

1. *Welcomes with appreciation* the work of the Standing Committee on Finance in 2023;

2. *Notes* the 2023 report of the Standing Committee on Finance,[1] *endorses* the workplan of the Committee for 2024[2] and *underlines* the importance of the Committee focusing its work on its current mandates;

3. *Notes* the technical report by the Standing Committee on Finance on clustering types of climate finance definitions in use,[3] including the executive summary thereof,[4] and *also notes* the information therein on the clustering of elements aimed at assisting Parties in developing and applying definitions of climate finance and the discussions of the Standing Committee on Finance regarding a potential update to the operational definition of climate finance of the Committee;

4. *Further notes* the complexities, in relation to accounting of and reporting on climate finance at the aggregated level, associated with the application of the variety of definitions of climate finance in use by Parties and non-Party stakeholders;

5. *Welcomes* that the sixth Biennial Assessment and Overview of Climate Finance Flows will contain a section compiling the operational definitions of climate finance in use;

6. *Requests* the Standing Committee on Finance to consider updating, in the context of its sixth Biennial Assessment and Overview of Climate Finance Flows, its operational definition of climate finance, building on the non-exhaustive list of potential options identified in paragraph 44(a–c) of the executive summary referred to in paragraph 3 above;

7. *Also requests* the Standing Committee on Finance to prepare a report on common practices regarding climate finance definitions, reporting and accounting methods among Parties and climate finance providers, building on the information in the technical report and executive summary thereof referred to in paragraph 3 above, for consideration by the Conference of the Parties at its twenty-ninth session (November 2024);

8. *Endorses* the general outlines of the technical report of the sixth Biennial Assessment and Overview of Climate Finance Flows, of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, and of the second report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation;[5]

9. *Notes* that the sixth Biennial Assessment and Overview of Climate Finance Flows will continue to consider the balance between mitigation and adaptation finance and public and private financial flows;

[1] FCCC/CP/2023/2–FCCC/PA/CMA/2023/8.
[2] FCCC/CP/2023/2–FCCC/PA/CMA/2023/8, annex II.
[3] Standing Committee on Finance. 2023. *Report on clustering types of climate finance definitions in use*. Bonn: UNFCCC. Available at https://unfccc.int/SCF.
[4] FCCC/CP/2023/2/Add.2–FCCC/PA/CMA/2023/8/Add.2.
[5] FCCC/CP/2023/2–FCCC/PA/CMA/2023/8, annexes III–V.

10. *Welcomes* the successful conduct of the 2023 Forum of the Standing Committee on Finance on financing just transitions and *notes* the summary thereof;[6]

11. *Expresses gratitude* to the Governments of Australia and Thailand and the United Nations Economic and Social Commission for Asia and the Pacific for their financial, administrative and substantive support for the 2023 Forum of the Standing Committee on Finance;

12. *Welcomes* accelerating climate action and resilience through gender-responsive finance as the topic for the 2024 Forum of the Standing Committee on Finance and accelerating climate action and resilience through financing for sustainable food and agricultural systems as the topic for the 2025 Forum;

13. *Notes with concern* that the draft guidance for the operating entities of the Financial Mechanism prepared by the Standing Committee on Finance was not considered owing to a limited number of submissions and *requests* Parties and other constituted bodies under the Convention and the Paris Agreement to provide elements for the draft guidance well in advance of future sessions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to enable the Committee to fulfil its mandate in this regard;

14. *Notes* the self-assessment report of the Standing Committee on Finance[7] and the technical paper by the secretariat on the second review of the functions of the Standing Committee on Finance[8] and *encourages* the Committee to consider the opportunities for improving its efficiency and effectiveness identified therein;

15. *Notes with appreciation* the efforts of the Standing Committee on Finance to strengthen its engagement with stakeholders in the context of its workplan, including the constituted bodies and private entities and other entities outside the UNFCCC process, and *encourages* the Committee to continue such efforts in 2024, including, as appropriate, with people and communities on the front line of climate change, including Indigenous Peoples and local communities;

16. *Also encourages* the Standing Committee on Finance to continue to enhance its efforts to ensure gender-responsiveness in implementing its workplan and *requests* Parties to consider gender balance and geographical representation when nominating members to the Committee;

17. *Expresses appreciation* to the European Union and the Governments of Japan and Switzerland for their financial contributions for the work of the Standing Committee on Finance and to the Governments of Austria, Switzerland and Thailand for hosting the meetings of the Committee in 2023;

18. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-ninth session on its progress in implementing its workplan for 2024;

19. *Also requests* the Standing Committee on Finance to consider the guidance provided to it in other relevant decisions of the Conference of the Parties.

6th plenary meeting
13 December 2023

[6] FCCC/CP/2023/2/Add.4–FCCC/PA/CMA/2023/8/Add.4.
[7] FCCC/CP/2023/2/Add.5–FCCC/PA/CMA/2023/8/Add.5.
[8] FCCC/TP/2023/4.

Decision 6/CP.28

Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund

The Conference of the Parties,

Recalling decision 3/CP.17, annex,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty-eighth session and its addendum,[1] including the information on action taken by the Board of the Green Climate Fund in response to guidance received from the Conference of the Parties;

2. *Also welcomes*:

(a) The increase in the number of funding proposals approved, which brings the total amount approved by the Board to USD 13.5 billion to support the implementation of 243 adaptation and mitigation projects and programmes in 129 developing countries;

(b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 121, of which 77 are direct access entities;

(c) The increase in the approval of grants for readiness support for national adaptation plans and other adaptation planning processes, bringing the total number of grants approved for readiness support for national adaptation plans and other adaptation planning processes to 105;

(d) The adoption by the Board of the Strategic Plan for the Green Climate Fund 2024–2027[2] and its strategic programming directions, aimed at increasing the Fund's impact and enhancing support for developing countries;

(e) The appointment of a new Executive Director of the Green Climate Fund;

(f) The Board's efforts to comprehensively review the Green Climate Fund's current approach to privileges and immunities, in line with the Governing Instrument for the Green Climate Fund and as outlined in the Strategic Plan for the Green Climate Fund 2024–2027;[3]

(g) The adoption of the 2024–2027 strategy for the Readiness and Preparatory Support Programme;[4]

(h) The Board's ongoing efforts to ensure the inclusion of Indigenous Peoples in the Green Climate Fund's activities, emphasizing their effective participation in processes, as outlined in the Fund's Indigenous Peoples policy;[5]

(i) The Board's efforts in enhancing project approval and disbursement processes;

(j) The Board's development of an approach for multilingualism that addresses challenges related to language and access to the Green Climate Fund for consideration by the Board no later than at its 39th meeting;

(k) The collaboration of the Board with the Climate Technology Centre and Network and the Technology Executive Committee;

[1] FCCC/CP/2023/8 and Add.1.

[2] Contained in annex III to Green Climate Fund document GCF/B.36/21.

[3] See para. 21(a)(v) of the Strategic Plan for the Green Climate Fund 2024–2027.

[4] Adopted by Green Climate Fund Board decision B.37/21, para. (b), as set out in Green Climate Fund document GCF/B.37/25, annex X.

[5] Adopted by Green Climate Fund Board decision B.19/11.

3. *Further welcomes* the success of the second replenishment of the Green Climate Fund, consisting of pledges to date made by 31 contributors for a total amount of USD 12.833 billion;

4. *Encourages* further pledges and contributions to the second replenishment of the Green Climate Fund;[6]

5. *Also encourages* pledges to the Green Climate Fund to be confirmed in the form of fully executed contribution agreements or arrangements as soon as possible;

6. *Recognizes* the Green Climate Fund's role in promoting the participation of private sector actors in developing countries, in particular local actors, including small and medium-sized enterprises and local financial intermediaries, and in supporting activities to enable private sector involvement in the least developed countries and small island developing States;

7. *Takes note* of the outcomes of the Green Climate Fund regional presence study[7] and *urges* the Board to expedite the finalization of its consideration of options for establishing Green Climate Fund regional presence, as outlined in the Strategic Plan for the Green Climate Fund 2024–2027;[8]

8. *Encourages* the Board to continue to support the formulation of national adaptation plans and other adaptation planning processes in line with the 2024–2027 strategy for the Readiness and Preparatory Support Programme;[9]

9. *Requests* the Board to continue its consideration, with a view to approving policy proposals, to support results-based payments for activities referred to in paragraph 70 of decision 1/CP.16, consistent with the provisions in paragraphs 35 and 55 of the Governing Instrument for the Green Climate Fund;

10. *Also requests* the Board to continue to enhance coherence and complementarity of the Green Climate Fund with other relevant bilateral, regional and global funding mechanisms and institutions, wherever feasible and to the extent possible, inter alia through joint programmes, outreach, and information-sharing, thereby improving access to climate finance and lowering transaction costs for developing countries;

11. *Urges* the Board to conclude the updating of the accreditation framework and to address the pending accreditation matters in line with Green Climate Fund decision B.34/19;[10]

12. *Requests* the Board to continue to accredit national and regional direct access entities, significantly increase direct access entity participation in Green Climate Fund programming and conclude its work on updating the accreditation framework;[11]

13. *Also requests* the Board to strengthen monitoring and reporting of disbursements for, and impacts arising from, multi-country funded activities on a per country basis, where practical, in a manner consistent with the integrated results management framework;[12]

14. *Encourages* the Board to continue to implement the Green Climate Fund updated gender policy and gender action plan;[13]

15. *Requests* the Board to continue supporting activities relevant to averting, minimizing and addressing loss and damage, consistent with the Green Climate Fund's existing investment, results framework and funding windows and structures and in line with the Strategic Plan for the Green Climate Fund 2024–2027, and *also requests* the Green Climate

[6] In accordance with Green Climate Fund Board decision B.37/19, para. (g).
[7] See Green Climate Fund Board document GCF/B.37/INF.13, annex I.
[8] See paras. 8 and 20(f)(i) of the Strategic Plan for the Green Climate Fund 2024–2027.
[9] See Climate Fund Board document GCF/B.37/25, annex X, para. 23(c–d).
[10] As contained in Green Climate Fund Board document GCF/B.34/28.
[11] See Green Climate Fund Board decisions B.34/19 para. (d) and B.37/18, para. (r).
[12] See Green Climate Fund Board decision B.29/01.
[13] In accordance with Green Climate Fund Board decision B.24/12, para. (e) and (f) respectively.

Fund to ensure coordination and complementarity in the context of the funding arrangements[14] with the fund established in paragraph 3 of decisions 2/CP.27 and 2/CMA.4;

16. *Further requests* the Board to significantly speed up the deployment of the updated Simplified Approval Process, in line with the Strategic Plan for the Green Climate Fund 2024–2027;

17. *Encourages* the Board to fully and effectively implement the 2024–2027 strategy for the Readiness and Preparatory Support Programme and the revised operational modalities of the Project Preparation Facility, ensuring that they provide adequate, timely and country-driven assistance for the development and implementation of projects and programmes;

18. *Requests* the Board to expedite consideration of a policy on programmatic approaches in line with paragraph 36 of the Governing Instrument for the Green Climate Fund;

19. *Invites* Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal[15] no later than 12 weeks prior to the twenty-ninth session of the Conference of the Parties (November 2024);

20. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 19 above in preparing its draft guidance for the Green Climate Fund for consideration 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 (November 2024);

21. *Also requests* the Board to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

22. *Takes note* of decision 10/CMA.5 and *decides* to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 2–6 of that decision.[16]

6th plenary meeting
13 December 2023

[14] See document FCCC/CP/2023/L.1–FCCC/PA/CMA/2023/L.1, annex II.
[15] https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx.
[16] In accordance with decision 1/CP.21, para. 61.

Decision 7/CP.28

Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

The Conference of the Parties

1. *Welcomes* the report of the Global Environment Facility to the Conference of the Parties at its twenty-eighth session and its addendum,[1] including the response of the Global Environment Facility to the guidance received from the Conference of the Parties;

2. *Notes* the work undertaken by the Global Environment Facility during its reporting period (1 July 2022 to 30 June 2023), including:

(a) Approval of 34 climate change projects and programmes under the Global Environment Facility Trust Fund, the Least Developed Countries Fund and the Special Climate Change Fund;

(b) Continued integration of climate change priorities into its other focal areas and integrated programmes and the expected avoidance or sequestration of 1,007.4 megatonnes of carbon dioxide equivalent achieved through such integration;

(c) Continued implementation of the long-term vision on complementarity, coherence and collaboration with the Green Climate Fund;

(d) Actions following cases of mismanagement of funding from the Global Environment Facility in projects managed by one of its implementing agencies;

(e) Continued work to implement the recommendations in decision 24/2020 of the Council of the Global Environment Facility;

3. *Welcomes* the successful start of the implementation of the eighth replenishment cycle, including the 11 integrated programmes, and *encourages* the Global Environment Facility to continue to track and regularly report to the Conference of the Parties the climate-related benefits of the integrated programmes;

4. *Also encourages* the Global Environment Facility to maximize global environmental benefits through its projects and programmes with a focus on co-benefits relating to climate change;

5. *Requests* the Global Environment Facility to continue its support to developing countries in implementing the reporting requirements under the Convention, consistent with its current mandates;

6. *Encourages* the Global Environment Facility to consider ways to better serve different regions, including by taking into account the needs of and challenges faced by developing countries in implementing the transparency requirements under the Convention;

7. *Also encourages* the Global Environment Facility to continue to strengthen its Small Grants Programme to provide better support for youth, women and girls, local communities and Indigenous Peoples;

8. *Welcomes with appreciation* the financial pledges to the Least Developed Countries Fund and the Special Climate Change Fund made by Belgium, Canada, France, Germany, Ireland, Norway, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland, equivalent to USD 179.06 million;

9. *Commends* the Least Developed Countries Fund and the Special Climate Change Fund for their enhanced support to developing countries and in particular the least developed

[1] FCCC/CP/2023/6 and Add.1.

countries and small island developing States for addressing the adverse impacts of climate change;

10. *Requests* the Global Environment Facility, in administering the Least Developed Countries Fund and the Special Climate Change Fund, to continue to support the least developed countries and small island developing States to utilize programmatic approaches to implement policies, programmes and projects identified in their national adaptation plans and adaptation components of nationally determined contributions;

11. *Invites* the Global Environment Facility to encourage its implementing agencies to facilitate more active engagement of women, youth, local communities and Indigenous Peoples in the formulation and implementation of its projects and programmes;

12. *Welcomes* the continued support by the Global Environment Facility for climate-friendly innovation, and technology development and transfer and related capacity-building, including in partnership with private sector actors and others, and *requests* the Global Environment Facility to continue to provide such support, in particular for technology needs assessments, and technology action plans and their implementation;

13. *Also requests* the Global Environment Facility to consider ways to enhance its ongoing work to fund activities relevant to averting, minimizing and addressing loss and damage, consistent with its current mandates;

14. *Encourages* the Global Environment Facility to continue its efforts to further streamline, consolidate and increase the efficiency of its operations, including by simplifying the information requirements for designing and implementing its projects and programmes;

15. *Welcomes* the ongoing efforts of the Global Environment Facility to improve its fiduciary standards, to which its implementing agencies are accountable;

16. *Also welcomes* the ongoing efforts of the Global Environment Facility to continue assessing and addressing the risks induced by the current level of funding concentration among some of its implementing agencies;

17. *Encourages* the Global Environment Facility to continue to show appropriate flexibility with respect to geographical restrictions in implementing agencies to reduce agency concentration and enable wider geographical reach of its projects, in a country-driven manner;[2]

18. *Also encourages* the Global Environment Facility to open a targeted round of implementing agency expansion within the Global Environment Facility partnership with a focus on underserved regions, with regard to implementing agency coverage, in line with existing policies and procedures;

19. *Further encourages* the Global Environment Facility to enhance coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work and decreasing transaction costs, inter alia through streamlining and simplifying, where feasible and to the extent possible, its procedures and guidelines and *takes note* of these ongoing efforts;

20. *Notes* the adoption of the private sector engagement strategy of the Global Environment Facility[3] at the 59th meeting of the Council of the Global Environment Facility and *encourages* the Global Environment Facility to reinforce its efforts to mobilize and engage with private sector actors during its eighth replenishment cycle;

21. *Requests* the Global Environment Facility, from existing allocations in the Blended Finance Global Programme, to further explore risk-taking and to foster innovation in the context of its programming in order to use its concessional financing more effectively and mobilize additional private funds;

[2] See Global Environment Facility document GEF/C.64/10.

[3] Global Environment Facility document GEF/C.59/07/Rev.1.

22. *Welcomes* the policy on gender equality[4] adopted by the Council of the Global Environment Facility and *encourages* the Global Environment Facility to ensure that all its implementing agencies apply this policy;

23. *Also encourages* the Global Environment Facility to further explore ways to provide support for assessing the needs and priorities of developing countries[5] in a country-driven manner, including technology and capacity-building needs, and for translating climate finance needs into action;

24. *Invites* Parties to submit to the secretariat their views and recommendations on elements of guidance for the Global Environment Facility via the submission portal[6] no later than 12 weeks prior to the twenty-ninth session of the Conference of the Parties (November 2024);

25. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 24 above in preparing its draft guidance for the Global Environment Facility and to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

26. *Takes note* of decision 11/CMA.5 and *decides* to transmit to the Global Environment Facility the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 2–12 of that decision.[7]

6th plenary meeting
13 December 2023

[4] Global Environment Facility document SD/PL/02.

[5] With reference to Global Environment Facility. 2019. *Instrument for the Establishment of the Restructured Global Environment Facility*. Washington, D.C.: Global Environment Facility. Available at https://www.thegef.org/documents/instrument-establishment-restructured-gef.

[6] https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx.

[7] In accordance with decision 1/CP.21, para. 61.

Decision 8/CP.28

Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9, paragraph 5, of the Paris Agreement

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 8/CP.26, 12/CMA.1 and 14/CMA.3,

1. *Notes* the compilation and synthesis[1] prepared by the secretariat of the information contained in the second biennial communications submitted by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement;

2. *Also notes* the summary report[2] on the second biennial in-session workshop on information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement, held on 6 June 2023;

3. *Takes note* of decision 13/CMA.5.

6th plenary meeting
13 December 2023

[1] FCCC/PA/CMA/2023/2/Rev.1.
[2] FCCC/PA/CMA/2023/3.

Decision 9/CP.28

Enhancing climate technology development and transfer through the Technology Mechanism

The Conference of the Parties,

Recalling decisions 2/CP.17, 1/CP.21, 15/CP.22, 21/CP.22, 15/CP.23, 12/CP.24, 13/CP.24, 14/CP.25, 9/CP.26 and 18/CP.27,

1. *Welcomes* the joint annual report of the Technology Executive Committee and the Climate Technology Centre and Network for 2023[1] and the progress of the implementation of the joint work programme of the Technology Mechanism for 2023–2027;[2]

2. *Also welcomes* the enhanced coordination and collaboration between the Technology Executive Committee and the Climate Technology Centre and Network, including through their adoption of new and improved modalities of work for advancing implementation of the joint work programme of the Technology Mechanism for 2023–2027 across their joint activities and common areas of work;[3]

3. *Invites* the Technology Executive Committee and the Climate Technology Centre and Network to continue efforts to enhance the exchange of systematic feedback on their work, including by the Technology Executive Committee taking into consideration lessons learned in relation to the provision of technical assistance by the Climate Technology Centre and Network, and the Climate Technology Centre and Network taking into consideration the policy recommendations of the Technology Executive Committee in providing technical assistance;

4. *Welcomes* the engagement of the Technology Executive Committee and the Climate Technology Centre and Network with national designated entities to provide technical and logistical support to them,[4] including through regional forums for national designated entities, and *invites* the Technology Executive Committee and the Climate Technology Centre and Network to report on the progress of the support provided;

5. *Also invites* Parties to explore ways of enhancing the provision of technical and logistical support to their national designated entities and improving national-level coordination, including of national designated entities with operational focal points of the Global Environment Facility, national designated authorities of the Green Climate Fund, and designated authorities and national implementing entities of the Adaptation Fund;

6. *Notes* the Technology Mechanism initiative on artificial intelligence for climate action,[5] the aim of which is to explore the role of artificial intelligence as a technological tool for advancing and scaling up transformative climate solutions for mitigation and adaptation action in developing countries, with a focus on the least developed countries and small island developing States, while also addressing the challenges and risks posed by artificial intelligence, such as energy consumption, data security and the digital divide;

7. *Requests* the Technology Executive Committee and the Climate Technology Centre and Network to implement the initiative referred to in paragraph 6 above in a manner that gives special attention to the capacity needs for its use and consider how it can support the implementation of technology needs assessment outcomes and the joint work programme of the Technology Mechanism for 2023–2027;

8. *Also requests* the Technology Executive Committee and the Climate Technology Centre and Network to enhance awareness of artificial intelligence and its potential role in,

[1] FCCC/SB/2023/3.
[2] Available at https://unfccc.int/ttclear/tec/workplan.
[3] Namely national systems of innovation, water–energy–food systems, energy systems, buildings and resilient infrastructure, business and industry, and technology needs assessments.
[4] As per decision 18/CP.27, para. 7.
[5] See https://unfccc.int/ttclear/acl_users/MultiPAS/artificial_intelligence.

as well as its impacts on, the implementation of the outcomes of technology needs assessments and the joint work programme of the Technology Mechanism for 2023–2027;

9. *Notes* the insufficient transfer and deployment of technology in developing countries, *encourages* the Technology Executive Committee and the Climate Technology Centre and Network to continue collaborating with the operating entities of the Financial Mechanism and relevant financial institutions with a view to enhancing the capacity of developing countries to prepare project proposals, facilitating their access to available funding for technology development and transfer and for implementing the results of their technology needs assessments and the technical assistance of the Climate Technology Centre and Network, and strengthening the transfer and deployment of technology and *calls for* regional balance in this work;

10. *Commends* the Technology Executive Committee and the Climate Technology Centre and Network on their continued efforts to mainstream gender considerations in the implementation of the joint work programme of the Technology Mechanism for 2023–2027, including the launch of the global roster of gender and climate change technology experts[6] and the endorsement of the Climate Technology Centre and Network gender policy and action plan, and *invites* them to continue mainstreaming gender considerations in their work;

11. *Notes with appreciation* the information prepared by the Technology Executive Committee and the Climate Technology Centre and Network on their action taken in response to the mandates from the Conference of the Parties at its twenty-seventh session and the subsidiary bodies at their fifty-seventh sessions[7] and *invites* the Technology Executive Committee and the Climate Technology Centre and Network to provide such information in their joint annual reports;

12. *Expresses appreciation* for the voluntary financial and other contributions received for the work under the Technology Mechanism and *encourages* the provision of enhanced support for that work through financial and other resources;

13. *Notes with concern* that gender balance in the composition of the Technology Executive Committee and the Advisory Board of the Climate Technology Centre and Network has not yet been achieved and *encourages* Parties to take steps to achieve a gender balance by nominating more female candidates as members of these bodies;

14. *Welcomes* the finalization of the Climate Technology Centre and Network resource mobilization and partnership strategy for 2023–2027,[8] which has the aim of diversifying the resources of the Climate Technology Centre and Network and ensuring its funding is adequate, predictable and flexible;

15. *Encourages* the Climate Technology Centre and Network, its host the United Nations Environment Programme and the UNFCCC secretariat to collaborate on resource mobilization to ensure effective implementation of the joint work programme of the Technology Mechanism for 2023–2027 and *requests* the Technology Executive Committee and the Climate Technology Centre and Network to include information on the progress of their efforts in their next joint annual report;

16. *Acknowledges* the role of the Climate Technology Centre and Network Partnership and Liaison Office in enhancing interaction among national designated entities and with the Green Climate Fund, and in providing technical support to developing countries across the core service areas of the Climate Technology Centre and Network and *requests* the Climate Technology Centre and Network to include information on the major outcomes of and lessons learned by its Partnership and Liaison Office in its annual reports;

17. *Notes with concern* that securing funding for implementing the mandates of the Technology Mechanism and its joint work programme for 2023–2027 remains a challenge,

[6] See https://www.ctc-n.org/network/gender-climate-expert-roster.

[7] See the document entitled "Responses from the TEC and the CTCN to guidance from Parties in 2023", available at https://unfccc.int/ttclear/tec/documents.html (under annual reports and related documents).

[8] See Climate Technology Centre and Network Advisory Board document AB/2023/22/22.1, available at https://www.ctc-n.org/calendar/events/22nd-ctcn-advisory-board-meeting (under documents).

especially for the Climate Technology Centre and Network, and *encourages* the provision of enhanced support.

5th plenary meeting
11 December 2023