



Conference of the Parties

Twenty-ninth session

Baku, 11–22 November 2024

Agenda item 8(e)

Matters relating to finance

Report of the Fund for responding to Loss and Damage and guidance to the Fund

Matters relating to finance

Proposal by the President

Draft decision -/CP.29

Report of the Fund for responding to Loss and Damage and guidance to the Fund

The Conference of the Parties,

Recalling decisions 2/CP.27 and 2/CMA.4; and 1/CP.28 and 5/CMA.5,

1. *Welcomes* the report of the Board of the Fund for responding to Loss and Damage for 2024¹ and the information therein;
2. *Notes* the following information and actions of the Board presented in the report:
 - (a) The selection by the Board of the Philippines as the host country of the Board through an open, transparent and competitive process, and the conclusion of the host country agreement between the Philippines and the Board;
 - (b) The approval by the Board of the draft of the arrangements, as developed by the Standing Committee on Finance, to be concluded between the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the Board consistently with the Governing Instrument of the Fund;²
 - (c) The prompt selection of the Executive Director of the Fund by the Board through a merit-based, open and transparent process;
 - (d) The confirmation by the Board that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met during an interim period of four years;
 - (e) The decision of the Board to launch an independent assessment of the performance of the World Bank as host of the Fund's secretariat³ no later than at the first meeting of the Board in 2027 and to report on the outcomes thereof to the Conference of the

¹ FCCC/CP/2024/9–FCCC/PA/CMA/2024/13 and Add.1.

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

³ Pursuant to paras. 23–24 of decisions 1/CP.28 and 5/CMA.5.

Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement no later than at their thirty-third (2028) and tenth sessions (2028) respectively;

3. *Welcomes* the rapid progress of the Board in operationalizing the Fund;
4. *Notes with appreciation* the confirmation by the World Bank of its ability and willingness to operationalize the Fund as a World Bank hosted financial intermediary fund for the interim period referred to in paragraph 2(d) above, as well as that the World Bank took the steps necessary to promptly operationalize the Fund as a financial intermediary fund; submitted to the Board of the Fund within 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; and established a new, dedicated and independent secretariat hosted by the World Bank to service the Fund;
5. *Welcomes* the confirmation by the Board of the Fund that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met by the World Bank during the interim period referred to in paragraph 2(d) above, and the signing of the agreements between the Board of the Fund and the World Bank to operationalize the Fund as a World Bank hosted financial intermediary fund;
6. *Welcomes with appreciation* that the Government of the Philippines promptly conferred the Board of the Fund 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;
7. *Expresses appreciation* to the Governments of Antigua and Barbuda, Armenia, the Bahamas, Barbados, Eswatini, Kenya and Togo for offering to host the Board of the Fund and to confer it with the necessary legal personality and legal capacity;
8. *Also expresses appreciation* to the secretariats of the UNFCCC and the Green Climate Fund and the United Nations Development Programme for jointly forming the interim secretariat for the Fund and providing support, including administrative support, to the Board of the Fund during the transitional period until the establishment of the independent secretariat and *looks forward* to a smooth and cost-effective transition of the interim secretariat's functions under the new, dedicated and independent secretariat;
9. *Welcomes* the financial pledges made to the Fund by the Governments of Australia, Austria, Estonia, Luxembourg, the Republic of Korea, New Zealand and Sweden and the government of the Walloon Region of Belgium, which, together with the other pledges mentioned in table 2 of the annex to document FCCC/CP/2024/9–FCCC/PA/CMA/2024/13, amount to the equivalent of USD [x] million;
10. *Notes* the importance of converting pledges to contributions in a timely manner, *urges* the conversion of pledges as soon as possible, and *requests* the Board to engage with the relevant Parties for the timely conversion of pledges to fully executed contribution agreements or arrangements to increase the predictability of resources for the Fund;
11. *Expresses gratitude* to the Government of Japan for disbursing USD 10 million towards the operationalization of the Fund;
12. *Expresses appreciation* to the Governments of the United Arab Emirates, the Republic of Korea and Azerbaijan for hosting the 1st, 2nd and 3rd meetings respectively of the Board of the Fund;
13. *Welcomes* the prompt selection and appointment of Ibrahima Cheikh Diong as the Executive Director of the Fund through a merit-based, open and transparent process;
14. *Also welcomes* the launch of the annual high-level dialogue on coordination and complementarity at a high-level event, organized by the Presidency of the twenty-ninth session of the Conference of the Parties and the Board of the Fund, held on the margins of the World Leaders Climate Action Summit in conjunction with the twenty-ninth session of

the Conference of the Parties and the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

15. *Further welcomes* the adoption by the Board of the Fund of its workplan for 2024–2025,⁴ which is aimed at implementing the provisions of the Governing Instrument of the Fund with a view to approving funding decisions as soon as possible, developing operational procedures and policies for delivering on the mandate of the Fund, and ensuring appropriate safeguards, and *looks forward* to the timely implementation of the workplan;

16. *Notes with appreciation* the Board's timeline in its workplan for preparing a long-term fundraising and resource mobilization strategy and plan for the Fund by the end of 2025, guided by paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and paragraphs 54–56 of the Governing Instrument of the Fund;

17. *Affirms* the need to promote efforts that enhance coherence and complementarity of the Fund with new and existing arrangements for responding to loss and damage associated with the adverse effects of climate change and *welcomes* the inclusion of a target in the workplan of the Board to develop a complementarity and coherence framework in 2025;

18. *Invites* Parties to submit views and recommendations on elements of guidance for the Fund for responding to Loss and Damage via the submission portal⁵ no later than 10 weeks prior to the thirtieth session of the Conference of the Parties (November 2025);

19. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 18 above when preparing its draft guidance for the Fund for responding to Loss and Damage for consideration by the Conference of the Parties at its thirtieth session;

20. *Also requests* the Board of the Fund 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.

⁴ Board decision B.2/D.10; the workplan is contained in annex VII to Board document FLD/B.2/17.

⁵ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.