Report of the Board to the Conference of the Parties at its thirty-first session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its eighth session

This document contains the report of the Board to the Conference of the Parties at its thirty-first session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its eighth session, as adopted by the Board in decision BM-2026/05.

FRLD
Fund for responding to Loss and Damage

Contents

Summary: Highlights for the reporting period

1. The Board's third annual report to 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) shows that the FRLD made steady operational progress during the reporting period from 10 October 2025 to 31 July 2026, with major advances in programming, governance and institutional set up. The Board held two meetings, the eighth meeting of the Board (B.8) in Livingstone, Zambia, and the ninth meeting of the Board (B.9) in Manila, Philippines, during which it made key decisions to advance the Fund from its inception phase towards a long-term model.

2. **Response to guidance provided by the COP and the CMA**: The Board and the Secretariat responded to guidance from COP 30 and CMA 7, in particular regarding progress on operationalizing the Fund, launching the call for funding requests under the Barbados Implementation Modalities (BIM) and preparing for the development of its long-term operational model. The Board engaged with the COP and CMA guidance at B.9 and provided its response which is summarized in the table below.

3. **Information on implementation of policies, programme priorities and eligibility criteria**: The policy framework of the FRLD continued to mature. Relevant work during this reporting period focused on designing, approving and implementing the policies, programme priorities and criteria to fully operationalize the BIM as pilot phase while gathering lessons for the long-term model.

4. **Synthesis of activities under implementation**: The report indicates that the FRLD moved from design towards implementation, with the launch of the call for funding requests at COP30 and the roll out of country engagement activities to raise awareness on the BIM phase that will provide initial funding to support bottom-up, country-led and country-owned responses to loss and damage in developing countries. In all, 198 funding requests were received, of which 176 funding requests were marked as compliant and entered the BIM funding request pipeline. The total BIM funding request pipeline amounts to USD 2.8 billion, and covers 119 countries spanning Africa, Asia-Pacific, Latin America and the Caribbean and Eastern Europe. In terms of amounts requested, Africa accounts for the largest share (USD 1.4 billion), followed by Asia-Pacific (USD 744.7 million), Latin America and the Caribbean (USD 611.6 million) and Eastern Europe (USD 60.7 million). Within those amounts, small island developing States and least developed countries account for USD 1.7 billion, which is 60.8 per cent of the total amount requested.

5. **Determination of funding necessary and available**: The report notes that total pledges to the Fund reached the equivalent of USD 822.71 million during the reporting period, of which USD 485.97 million was received. During B.9 the Board decided that the stage 1 resource mobilization strategy will support the scaling up of resources of the Fund to ensure the operational continuity of the BIM while transitioning to the long-term model of the FRLD. The Board will also review the process and timeline of the replenishment process at B.10, in December 2026.

6. **Engagement with the United Nations Framework Convention on Climate Change and its constituted bodies**: The Secretariat maintained active engagement with the United Nations Framework Convention on Climate Change process and related bodies, particularly through coordination with the Standing Committee on Finance, the Santiago Network and other bodies in the loss and damage climate finance architecture. This engagement supported information-sharing, policy coherence and alignment with the wider climate governance system.

7. **Actions taken to enhance coordination and complementarity**: The Board and the Secretariat continued to strengthen coordination with multilateral climate funds, the Executive Committee of the Warsaw International Mechanism for Loss and Damage and the Santiago Network with the aim of, among other things, avoiding duplication and improving complementarity across the loss and damage support landscape. Regular exchanges between

the bodies' leadership and secretariats were used to identify synergies and practical opportunities for collaboration.

8. **Stakeholder engagement**: Stakeholder engagement remained an important governance priority, with work continuing on establishing consultative forums and participation mechanisms for civil society and affected communities. This included, inter alia, consultations with the Board and observers, as well as region-specific sessions and global information webinars on programming matters. The report highlights the policy matters under consideration by the Board on active and other observers in the FRLD stakeholder processes.

9. **Transition to the new, dedicated and independent Secretariat of the FRLD**: A major institutional milestone during the reporting period was the completion of the transition to the new independent Secretariat, which occurred immediately following B.7.

I. Introduction

A. Mandate

1. The twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) and the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) designated the Fund for responding to Loss and Damage (hereinafter referred to as the Fund or the FRLD) 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 COP and the CMA.

2. This third annual report of the Board of the FRLD is submitted to the COP and the CMA in accordance with paragraph 13(c) of the Governing Instrument and paragraph 3 of the arrangements between the COP, the CMA and the Board.[1]

3. In accordance with the above-mentioned arrangements, the Board is to report to the COP and the CMA the following in its annual reports:

(a) Information on the implementation of policies, programme priorities and eligibility criteria, including information on action taken by the Board in response to guidance provided by the COP and the CMA;

(b) A synthesis of the different activities under implementation and a list of the activities approved, as well as a financial report;

(c) Information on all activities financed by the Fund;

(d) Action taken to develop, operate and review the resource allocation system referred to in paragraphs 60–61 of the Governing Instrument;

(e) Any reports of the independent evaluations of the performance of the Fund referred to in paragraphs 64–65 of the Governing Instrument;

(f) Information on how it has drawn on expert and technical advice, including from the relevant constituted bodies established under the Convention and the Paris Agreement, as appropriate;

(g) Information on the high-level dialogue referred to in paragraph 11 of annex II to decisions 1/CP.28 and 5/CMA.5, and as described in paragraph 12 of annex II to those decisions;

(h) Information on action taken to enhance coordination and complementarity pursuant to paragraphs 51–53 of the Governing Instrument, as well as recommendations to the COP and the CMA pursuant to paragraph 22(s) of the Governing Instrument.

4. Further, the arrangements encourage the Board to include information in its annual reports on how it has established consultative forums for engaging and communicating with stakeholders, pursuant to paragraph 28 of the Governing Instrument, and how it has developed and managed mechanisms to promote the input and participation of stakeholders, pursuant to paragraph 29 of the Governing Instrument. The arrangements also state that the Board will include information in its annual reports to the COP and the CMA on its long-term fundraising and resource mobilization strategy, as appropriate.

B. Scope of the report

5. This report provides an overview of the actions taken and to be taken in response to the guidance provided in decisions 4/CP.30 and 8/CMA.7, as contained in the table below, and the overall progress and milestones achieved by the Board in relation to those actions. It

[1] Annex to decisions 6/CP.29 and 12/CMA.6.

covers the period from 10 October 2025 to 31 July 2026, during which the Board held two meetings: B.8 (Livingstone, Zambia, 22–24 April) and B.9 (Manila, Philippines, 8–10 July).

6. The report contains the following chapters:

(a) Response to guidance provided by the COP and the CMA;

(b) Information on the implementation of policies, programme priorities and eligibility criteria;

(c) Synthesis of activities under implementation;

(d) Actions taken to develop, operate and review the resource allocation system;

(e) Determination of funding necessary and available;

(f) Engagement with the United Nations Framework Convention on Climate Change and its constituted bodies;

(g) High-level dialogue;

(h) Action taken to enhance coordination and complementarity;

(i) Stakeholder engagement;

(j) Transition to the new, dedicated and independent Secretariat of the FRLD;

(k) Other actions.

II. Response to guidance provided by 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

7. The table below summarizes the guidance to the FRLD as contained in decisions 4/CP.30 and 8/CMA.7, the actions taken and to be taken by the Board and the FRLD Secretariat in response to the guidance, and the progress achieved under each of the guidance items up to and including actions reported at B.9.

Summary of the guidance received from the Conference of the Parties to the United Nations Framework Convention on Climate Change at its thirtieth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session and proposed actions by the Board and the Secretariat

Guidance and other relevant decision text	*Action by the Board/Secretariat*
Decision 4/CP.30 Report of the Fund for responding to Loss and Damage and guidance to the Fund for responding to Loss and Damage	
1. *Takes note* of the annual report of the Board of the Fund for responding to Loss and Damage for 2025, and the information therein;[a]	No action needed.
2. *Welcomes* the rapid progress of the Board in operationalizing the Fund, in particular the establishment of the Barbados Implementation Modalities, consisting of a first set of interventions in grants for the calendar years 2025 and 2026 supporting bottom-up, country-led and country-owned approaches to supporting and strengthening national responses to loss and damage, including decisions taken with respect to funding criteria and direct access modalities under the Barbados Implementation Modalities, and expresses support for the further operationalization of the Fund;	No action needed.
3. *Welcomes* the launch of the call for funding requests for the Barbados Implementation Modalities;	No action needed.
4. *Expresses appreciation* to the secretariat of the Fund for responding to Loss and Damage for supporting the	No action needed.

Guidance and other relevant decision text	*Action by the Board/Secretariat*
operationalization of the Fund, as well as 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 to the Board during the transition period until the establishment of the independent secretariat, which was completed at the seventh meeting of the Board;	
5. *Also expresses appreciation* to the Government of Barbados for hosting the fifth meeting of the Board, and to the Government of the Philippines for hosting the sixth and seventh meetings thereof in its capacity as host country of the Board;	No action needed.
6. *Welcomes* the financial pledges made to the Fund by the Governments of Iceland, Japan, Latvia, Luxembourg, Spain, and the government of the Walloon Region of Belgium, which, together with the other pledges mentioned in table 1 of annex II in the annex to document FCCC/CP/2025/10/Add.1–FCCC/PA/CMA/2025/14/Add.1, amount to the equivalent of USD 817.01 million;	No action needed.
7. *Also welcomes* the adoption by the Board of its workplan for 2026[b] and looks forward to the outcomes of the activities under the workplan, including: (a) Delivering the Barbados Implementation Modalities, including through the development of a risk management framework; (b) Developing the long-term operating model of the Fund, including consideration of rapid disbursement modalities and a small grants policy, and work on access modalities, to be informed by the Barbados Implementation Modalities; (c) Developing a long-term resource mobilization strategy and plan;[c] (d) Continuing efforts to strengthen coherence and complementarity with existing arrangements for responding to loss and damage, including through close collaboration with the Santiago Network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change; (e) Considering the draft policy on the participation of active observers in Board meetings and related proceedings and the proposal for guidelines on consultative forums for engaging and communicating with stakeholders, including consideration of women, youth and Indigenous Peoples in line with the Governing Instrument of the Fund;[d] (f) All other activities included in the workplan;	(a) The Board adopted its risk management framework for the direct access via direct budget support modality under the BIM at B.8 (decision B.8/D.3, para. (b)) and endorsed a broader risk management framework for the access modalities under the BIM (decision B.8/D.3, para. (h)). The Board also adopted the results measurement framework for the BIM (decision B.9/D.3); (b) The Board will address the development of the long-term model, in line with its updated workplan for 2026 (decision B.7/D.2). In the context of its updated workplan, the Board requested the Co-Chairs to present the elements and sequence for the development of this model for B.10 (decision B.9/D.7); (c) The Board considered a resource mobilization strategy framing paper at B.8 and a background paper on replenishment processes used by comparable funds at B.9. The Board decided that the resource mobilization strategy would be developed based on a two-stage approach (decision B.8/D.8) and that stage 1 would support the scaling up of resources of the Fund to ensure the operational continuity of the Barbados Implementation Modalities while transitioning to the long-term model of the Fund (decision B.9/D.10); (d) The Secretariat continues to engage with the existing funding arrangements to enhance coherence and complementarity, including with the secretariat of the Santiago Network. This includes through regular exchanges between the Co-Chairs of the FRLD and the Santiago Network; (e) The Board will consider the policy on active observers and the guidelines on consultative forums (decision B.6/D.6); (f) The Board will continue to implement the other activities in its updated workplan for 2026, reflecting any new mandates from the Board.

Guidance and other relevant decision text	*Action by the Board/Secretariat*
8. *Welcomes* the various access modalities established under the Barbados Implementation Modalities and *notes with appreciation* the Board's reiteration that national Governments of all developing countries may submit funding requests using the modality of direct access via direct budget support through national Governments under the Barbados Implementation Modalities, subject to processes and modalities to be decided by the Board;	No action needed.
9. *Notes with concern* the delay in the adoption of the long-term fundraising and resource mobilization strategy and plan and *requests* the Board to expedite its consideration of the strategy and plan in line with paragraph 16 of decisions 5/CP.29 and 11/CMA.6;	The Board considered a resource mobilization strategy framing paper at B.8 and a background paper on replenishment processes used by comparable funds at B.9. The Board decided that the resource mobilization strategy would be developed based on a two-stage approach (decision B.8/D.8) and that stage 1 would support the scaling up of resources of the Fund to ensure the operational continuity of the Barbados Implementation Modalities while transitioning to the long-term model of the Fund (decision B.9/D.10).
10. *Appreciates* the confirmation by the Board of the importance of multilingualism and its request to the secretariat of the Fund to translate the final version of the funding request template, subject to budget availability;[e]	No action needed.
11. *Looks forward to* the Board including, in its subsequent workplan, work on outstanding matters under the Governing Instrument of the Fund, including any outstanding policies;	The Board will continue to address the outstanding policy matters under the Governing Instrument through consideration of its updated workplan for 2026, reflecting the new mandates from the Board (decision B.7/D.2) and new mandates reviewed by the Board at B.9 (decision B.9/D.7).
12. *Welcomes* the decision by the Board[f] that the first replenishment process of the Fund will start in 2027 and *looks forward* to a successful first replenishment;	The Board considered a background paper on replenishment processes used by comparable funds at B.9 and requested the Co-Chairs to present a proposal at B.10 on the elements and timeline of the replenishment process (decision B.9/D.7), including options for fast-tracking the replenishment process and advancing the transition to the long-term model of the Fund.
13. *Reiterates* paragraph 10 of decisions 5/CP.29 and 11/CMA.6, noting its importance for further allocation of resources for future work, including the Barbados Implementation Modalities;	The Secretariat, under the guidance of the Board, will continue to increase efforts to ensure the timely conversion of pledges into fully executed contribution agreements or arrangements to increase the predictability of resources for the FRLD and will continue reporting back to the Board at each meeting (decision B.8/D.8).
14. *Urges* the Board to ensure that the modalities and processes under the Barbados Implementation Modalities and the long-term operating model of the Fund will avoid disproportionate bureaucratic obstacles to the access of resources;	The Board continues to be guided by paragraph 41 of the Governing Instrument, which requires the FRLD to avoid disproportionate bureaucratic obstacles to access. The Board adopted access modalities at B.7 for access entities (decision B.7/D.5) and at B.8 for national governments (decision B.8/D.3) that seek to avoid such obstacles.

Guidance and other relevant decision text	*Action by the Board/Secretariat*
15. *Also urges* the Board to maintain high fiduciary standards, environmental and social safeguards, financial transparency standards and accountability mechanisms while implementing the Barbados Implementation Modalities and the long-term operating model;	The Board continues to maintain high standards and safeguards through the operational and access modalities developed for the BIM, and has reflected this requirement in the funding cycle (decision B.7/D.3), the initial funding criteria (decision B.7/D.4), the access modalities for access entities (decisions B.7/D.5 and B.8/D.3), the Policy on Oversight Fees (decision B.8/D.5), and the results measurement framework for the BIM (decision B.9/D.3). The Board will continue to address this matter through its consideration of the operational modalities for the country support system (decision B.8/D.6) and matters relating to the funding agreement (decision B.9/D.5).
16. *Invites* Parties to submit views and recommendations on elements of guidance for the Fund via the submission portal no later than 12 weeks prior to the thirty-first session of the Conference of the Parties (November 2026);	No action needed.
17. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 16 above when preparing its draft guidance for the Fund for consideration by the Conference of the Parties at its thirty-first session;	No action needed.
18. *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.	The Board, with the support of the Secretariat, will include relevant information in the report of the Board to COP 31 and CMA 8.
Decision 8/CMA.7 Report of the Fund for responding to Loss and Damage and guidance to the Fund for responding to Loss and Damage (contains only operational paragraphs, not mentioned in the COP guidance above)	
16. *Recalls* decision 1/CMA.6 and *requests* the Board to take into account, as appropriate, relevant paragraphs therein in its upcoming and future related work;	The Board will take into account relevant paragraphs of decision 1/CMA.6, as appropriate, to implement upcoming and future activities, given that the Fund is an operating entity of the Financial Mechanism. This includes matters relating to access and resource mobilization.
Decision 1/CMA.7. Global Mutirão: Uniting humanity in a global mobilization against climate change	
26. *Welcomes* the decision of the Board of the Fund for responding to Loss and Damage to establish a replenishment cycle for the resource mobilization of the Fund and *looks forward* to successful replenishments of the Fund for responding to Loss and Damage, the Global Environment Facility and the Green Climate Fund;	No action needed.

Abbreviations: BIM = Barbados Implementation Modalities, CMA = Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, COP = Conference of the Parties to the United Nations Framework Convention on Climate Change, UNFCCC = United Nations Framework Convention on Climate Change.

[a] FCCC/CP/2025/10–FCCC/PA/CMA/2025/14 and Add.1.

[b] Board decision B.7/D.2. The workplan is contained in annex I to Board document FRLD/B.7/11.

[c] In accordance with Board decision B.7/D.7, paragraph (b).

[d] Annex I to decisions 1/CP.28 and 5/CMA.5.

[e] Board decision B.7/D.4, paragraph (h).

[f] Board decision B.7/D.7, paragraph (e).

III. Information on the implementation of policies, programme priorities and eligibility criteria

A. Barbados Implementation Modalities

8. At B.5, the Board established the Barbados Implementation Modalities (with the acronym BIM) to respond to loss and damage, consisting of a first set of interventions for the calendar years 2025 and 2026, for an initial total of USD 250 million (decision B.5/D.4). At B.9, the Board increased the total allocation for funding requests under the BIM by an additional USD 92 million, which amounts to a revised total of USD 342 million available for allocation under the BIM. Following the launch of the call for funding requests at COP 30, the Secretariat completed the development of the funding request template, the assessment methodology, the guidelines for preparing funding requests, and the letter of endorsement template.

9. The Secretariat is progressing in the review of BIM funding requests that have been submitted to the FRLD. Details on the status of the BIM funding request pipeline are contained in chapter VI of this report.

10. The Board adopted several policies and modalities for the further operationalization of the BIM at B.8 and B.9, as follows:

(a) **Modalities for operationalizing direct access via direct budget support through national governments**: Based on the work of the ad hoc risk committee, the Board adopted the modalities for operationalizing direct access via direct budget support through national governments, together with the associated risk management framework (decision B.8/D.3). There are two ways to determine which national governments can access the Fund under this modality, which involve reviewing project/programme-related risks and mitigation measures identified by national ministries, using either (1) the outcomes of existing external assessments, or (2) in the absence of existing external assessments, the outcome of desk reviews by external experts and if necessary, and on a case-by-case basis, an on-site audit;

(b) **Risk management framework:** In addition to the risk management framework for direct access via direct budget support through national governments, the Board also approved a risk management framework applying to all access modalities under the BIM (decision B.8/D.3). This framework covers the process for identifying, classifying, monitoring and reporting on risks to the Board;

(c) **Policy on oversight fees**: The Board approved the Policy on Oversight Fees that explains the conditions under which an oversight fee may be disbursed to access entities and access ministries, as well as the activities that may be financed with this fee (decision B.8/D.5). This policy will apply to projects/programmes funded under the BIM. In total, the Board has set aside USD 28 million for oversight fees separate from the USD 342 million allocated to BIM funding requests (decisions B.8/D.5, para. (d), and B.9/D.4, para. (i));

(d) **Results measurement framework**: The Secretariat, under the guidance of the Co-Chairs, developed and proposed a results measurement framework (RMF) for the BIM. At B.8, the Board considered the document and requested the Secretariat, guided by the Co-Chairs, to revise the proposed RMF for consideration and approval at B.9 (decision B.8/D.4). The revised RMF, based on inputs from the Board during B.8 and further written input received before B.9, was considered by the Board at B.9 and further amended during B.9. The RMF for the BIM with accompanying indicators was adopted by decision B.9/D.3. It was affirmed by the Board that this framework and its indicators do not constitute eligibility, selection or approval criteria for BIM funding requests. They also do not limit, indicate or direct the types of eligible activities for BIM funding. Aspects and indicators pertaining to the effectiveness and operational performance of the FRLD were also approved at B.9. The RMF implementation guidance documents will be developed under the guidance of the Co-Chairs and shared with the Board. The Board also requested the Secretariat, under the guidance of the Co-Chairs, to develop a strategic learning framework for the BIM, consistent with decision B.5/D.4, paragraph (q).

(e) **Country support system**: The Board decided to operationalize the country support system (CSS) under the BIM (decision B.8/D.6). The CSS provides readiness and/or technical assistance type support to developing countries to assist them in preparing and strengthening national processes, systems and capacities for responding to loss and damage. This funding envelope seeks to operationalize paragraph 47 of the Governing Instrument. The eligible activities for funding under the CSS include funding request development, setting up systems and developing capacities for enabling access, and institutional strengthening and capacity-building. The Board approved an annual allocation of USD 7,500,000 for CSS funding requests and established a cap per country of up to USD 250,000. The Board further requested the Secretariat to develop the operational modalities, including an accountability framework for delegating authority to the Executive Director for approving CSS requests, for Board consideration and adoption at B.9. The Board deliberated on the operational modalities and accountability framework at B.9 and will be considering the matter further at B.10.;

(f) **Matters related to the Hosting Agreement and the Trustee Agreement**: The Board considered this matter during an executive session at B.8. The outcome of this closed discussion was a request that the Co-Chairs engage with the World Bank to seek to ensure a common understanding and a consistent approach to the implementation of the FRLD Hosting Agreement and FRLD Trustee Agreement (decision B.8/D.9). This is in relation to the World Bank's distinct roles as the host of the FRLD Secretariat and as the interim Trustee of the FRLD. This engagement has the overarching objective of ensuring the timely and effective implementation of the BIM and the full operationalization of all steps of the funding cycle, in accordance with the relevant decisions of the COP and the CMA, including the effective performance of the functions assigned to the Secretariat. This engagement has four focus areas:

(i) The role and the functions of the Secretariat in operationalizing the funding cycle of the BIM;

(ii) The full operationalization of the various access modalities under the BIM;

(iii) The post-approval legal and operational framework of funding requests, including the preparation and execution of the financial agreements;

(iv) The modalities for the Board to delegate funding approval authority to the Executive Director in relation to the country support systems under the BIM;

(g) Four meetings were organized with the World Bank on this matter in the intersessional period between B.8 and B.9 to advance on joint understanding. These meetings were held on 17, 26 and 29 June 2026 and 1 July 2026. The outcome report was presented by the Co-Chairs at B.9 during an executive session. In addition, in-person meetings with the World Bank were held during B.9. Following discussions at B.9, the Board requested the Co-Chairs and the relevant Board members to continue their engagement, to convene a virtual technical consultation prior to B.10 with the Board to update this engagement and to present a report on the engagement to the Board for its consideration and action at B.10.

(h) **Funding agreement template**: At B.9, the Board considered an update on the status of the development of the funding agreement template for the BIM, which included benchmarking of the grant funding agreement arrangements of other climate funds and key elements for the funding agreement template. Following the discussion, the Board endorsed the key elements as a basis for the further development and finalization of a standardized funding agreement template for the BIM (decision B.9/D.5). These key elements included the purpose and use of FRLD resources; roles and responsibilities of the parties concerned; application of fiduciary principles, standards and safeguards; standard of care for administrating resources; project/programme risk management; prohibited practices and integrity requirements; funding disbursement and conditions precedent; financial management, accounting and traceability; financial, operational and risk reporting; results monitoring, evaluation and learning; oversight functions and oversight fees; segregation of duties and conflicts of interest; audit, review, investigation and verification; adaptive management/funding request restructuring; recovery, refund and return of funds; and dispute resolution. The Board also requested the Co-Chairs to present the finalized template as well as a process for its application and future amendment at B.10;

(i) **Updated list of entities accredited to the Adaptation Fund, the Green Climate Fund and the Global Environmental Facility**: At B.7, the Board confirmed a list of entities accredited by the Adaptation Fund (AF), the Green Climate Fund (GCF) and the Global Environmental Facility (GEF) that may access FRLD resources under the BIM within the scope of their respective accreditations. This access would be pursuant to the process and modalities for BIM funding requests (decision B.7/D.5). Based on the mandate from the B.7 decision, the Board adopted an updated list at B.9 which reflected new accreditations and lapses in accreditation from these multilateral climate funds;

(j) **Matters relating to funding requests**: At B.9, which was the first meeting since the BIM submission deadline, the Board expressed appreciation for all the countries that submitted BIM funding requests (decision B.9/D.4). Moreover, the Board requested the Secretariat, in its identification of funding requests to be presented to the Board for consideration, to be guided by, in addition to the elements set out in decision B.7/D.4, the following elements when presenting a portfolio of funding requests for Board consideration and adoption at B.10:

(i) Supports testing, learning and refinement of the FRLD operational modalities, financial instruments and funding structures;

(ii) Reflects a diversity of approaches to responding to loss and damage, with a view to demonstrating the unique and distinct features of FRLD programming;

(iii) Provides opportunities to test a variety of access modalities and different access entities;

(k) The Board requested the Secretariat to submit an "initial starter package of funding requests" informed by these elements for consideration and approval at B.10 (decision B.9/D.4). The Board also approved an increase in the funding allocation for the BIM by an additional USD 92 million for funding requests with a supplemental USD 8 million increase for corresponding oversight fees. The Board declared that funding requests which are not included in the "package" or not approved by the Board will remain in the BIM funding request pipeline unless withdrawn by the country or countries having made the request.

B. Other policies developed and implemented in the reporting period

11. In the reporting period, the Board made substantial progress in building its institutional and operational foundation through the adoption of various policies and procedures. The following are some key policy developments over the reporting period.

1. Management of commitment authority

12. A methodology for estimating the commitment authority was adopted at B.8. The Board took note of the recommendations on the management of the commitment authority while requesting the Secretariat to calculate and present the available commitment authority prior to each Board meeting to support transparent and consistent reporting. The commitment authority represents the level of financial resources available at a given point in time for the approval of new funding decisions, after accounting for existing commitments and applicable risk reserves.

2. Performance management system for the Executive Director

13. At B.8 the Board established a performance evaluation process for the Executive Director (decision B.8/D.7). The scope of the process is focused on the assessment of the Executive Director's performance during the probation period and after the confirmation of appointment, in accordance with the applicable policies and procedures of the hosting institution. The Executive Director's performance is assessed annually.

14. The process involves several actors. The Board is responsible for the overall assessment of the Executive Director's performance. The Co-Chairs provide an ongoing supervisory function to the Executive Director, as appropriate. The Executive Director Performance Oversight Committee assists the Co-Chairs in the annual assessment of the Executive Director's performance. The World Bank, as the host institution of the Secretariat, is responsible for providing the Board with input regarding the Executive Director's performance on administrative issues and recording the outcomes of the Board's assessment into the World Bank systems. This role is conducted by the World Bank's Vice-President for the Planet Vice Presidency.

15. The Executive Director Performance Oversight Committee was established as a standing committee of the Board, and its terms of reference were also adopted at B.8. Its membership consists of the current Co-Chairs of the Board, the outgoing Co-Chairs of the Board or the Board members replacing them, one Board member from developing country Parties, and one Board member from developed country Parties.

C. Long-term model of the FRLD

16. During its consideration of the updated workplan of the Board for 2026, the Board requested the Co-Chairs to present at B.10 the elements of and sequence for development of the FRLD long-term model of the Fund (decision B.9/D.7). These elements and sequencing will also include options for the essential elements to be concluded for this long-term model prior to launching the replenishment.

IV. Synthesis of activities under implementation

A. Status of resources and financial report

17. The World Bank, as interim Trustee of the Fund, provided an update on the status of resources in the Fund as at 31 July 2026. Specifically, the total amount of pledges in USD equivalent stood at USD 822.71 million. The amount received in the Fund from contributors was USD 485.77 million.

18. The interim Trustee further reported that contribution agreements had been signed with 25 contributors. The Secretariat is tracking the conversion of pledges into fully executed contribution agreements or arrangements, in accordance with the guidance provided by COP 29 and CMA 6.

B. Status of funding requests pipeline

1. Overview

19. By the submission deadline for funding requests under the BIM on 15 June 2026, 198 funding requests had been received, of which 176 funding requests entered the BIM funding request pipeline. The remaining 22 funding requests were marked as non-compliant and were not included in the BIM pipeline.

20. The BIM pipeline represents a combined amount of USD 2.8 billion. The average amount requested is approximately USD 15.9 million, with a range from USD 5 million to USD 20 million. The average implementation duration proposed in the funding requests is 4 years and 1 month, ranging from 1 year and 6 months to 8 years.

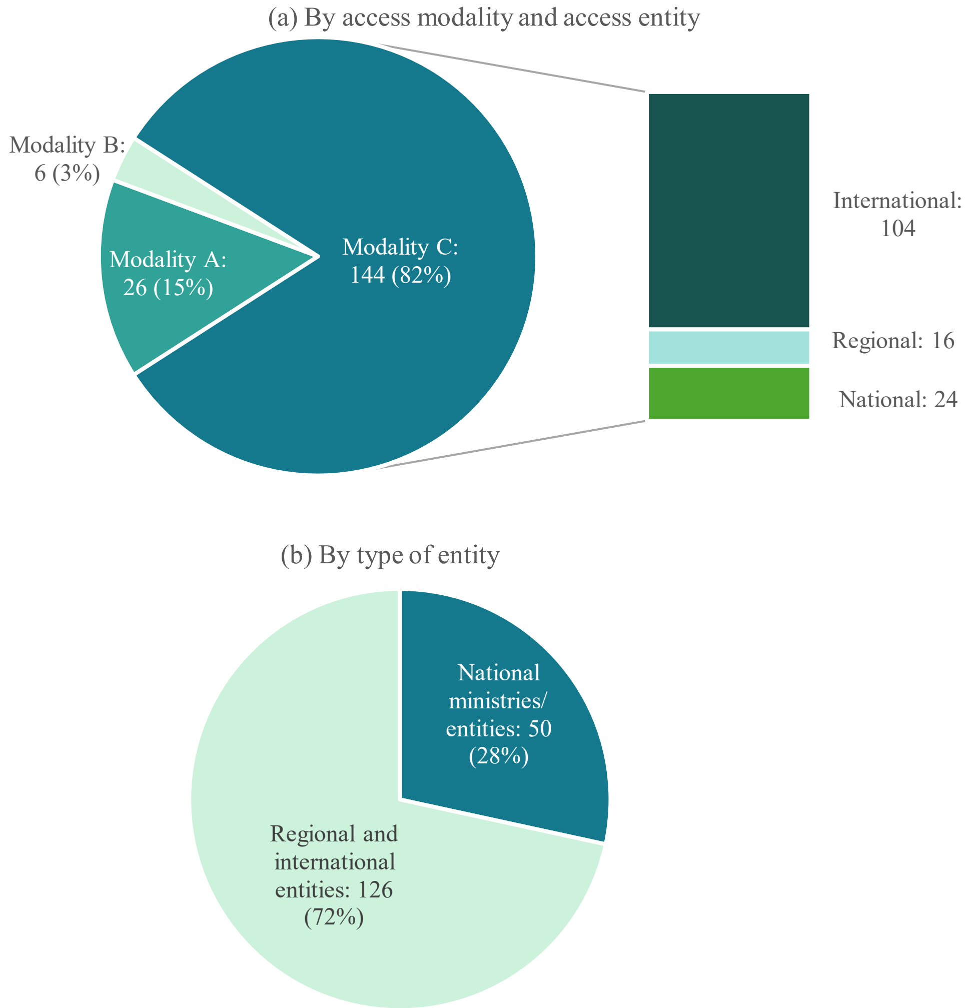
2. Access modalities

21. Figure 1 presents the breakdown of funding requests by access modality. The majority of funding requests are submitted through modality C, in partnership with entities accredited to the AF, the GCF and the GEF. Funding requests submitted through modality A – direct access via direct budget support through national governments – account for 15 per cent.

Funding requests submitted through modality B – direct access via direct budget support in partnership with multilateral development banks accredited to the AF, the GCF and the GEF – account for 3 per cent.

22. Of the funding requests submitted through access entities (modalities B and C), 110 are submitted through international access entities, 24 through national access entities and 16 through regional access entities. This means that a total of 50 funding requests (28.4 per cent of all requests) entail direct access through national access entities and/or national governments.

Figure 1
Breakdown by access modality

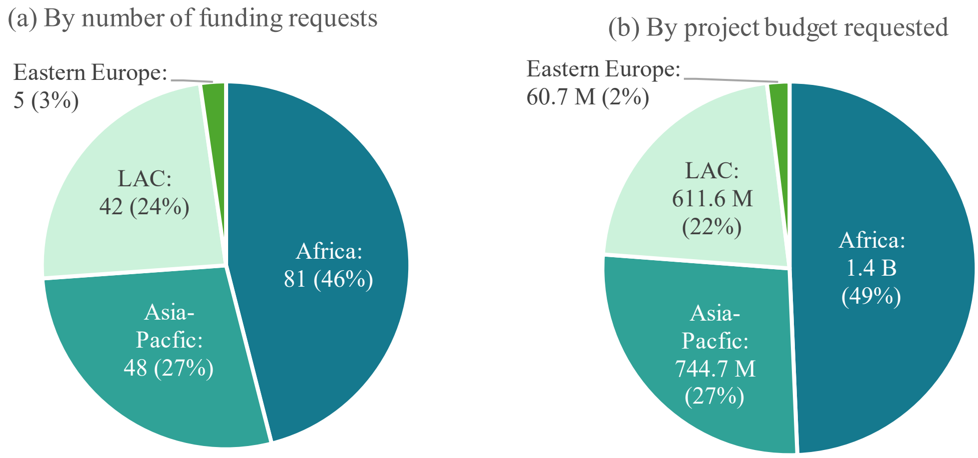


3. Geographic distribution

23. The pipeline covers 119 countries spanning Africa, Asia-Pacific, Latin America and the Caribbean (LAC) and Eastern Europe. The pipeline is geographically concentrated in Africa (81 funding requests), followed by Asia-Pacific (48 funding requests), LAC (42 funding requests) and Eastern Europe (5 funding requests).

24. In terms of amount requested, Africa accounts for the largest share (USD 1.4 billion), followed by Asia-Pacific (USD 744.7 million), LAC (USD 611.6 million) and Eastern Europe (USD 60.7 million). Figure 2 presents the breakdown of funding requests by region.

Figure 2
Breakdown by region

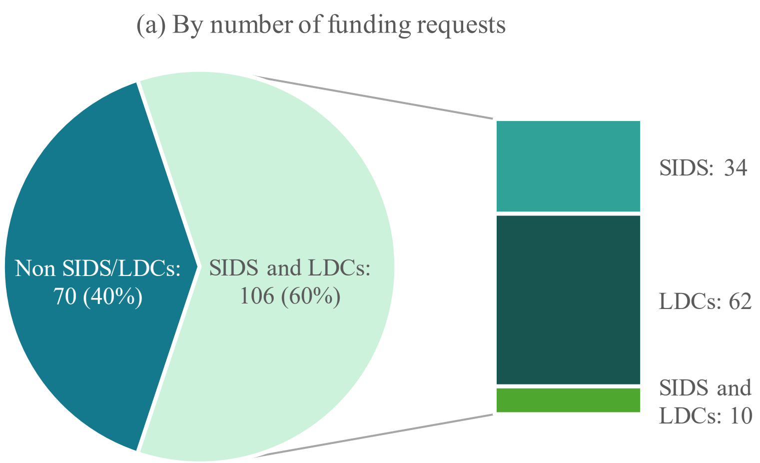


Abbreviations: B = billion, LAC = Latin America and the Caribbean, M = million.

25. The pipeline includes a total of 106 funding requests submitted by least developed countries (LDCs) and small island developing States (SIDS). Of these, 62 funding requests are from LDCs and 34 from SIDS. Ten funding requests are from countries that are both LDCs and SIDS.

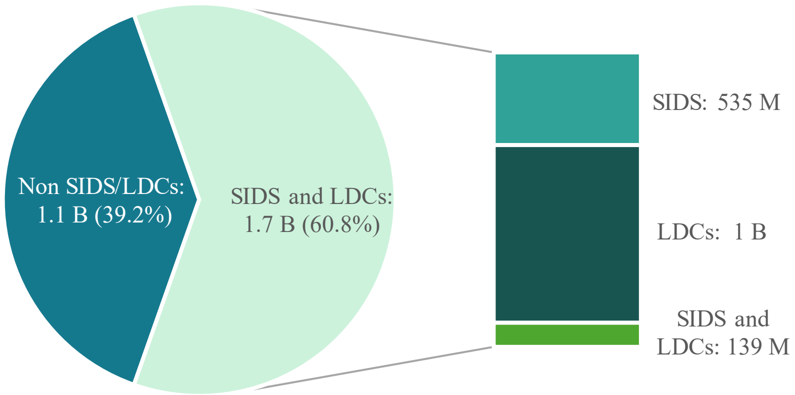
26. In terms of amount requested, SIDS and LDCs account for USD 1.7 billion, which amounts to 60.8 per cent of the total project budget requested[2] (see figure 2). Of this, USD 535 million is requested by SIDS, USD 1 billion by LDCs and USD 139 million by countries that are both SIDS and LDCs. Figure 3 presents a breakdown of funding requests by country group.

Figure 3
Breakdown by country group



[2] Note that several multi-country requests include countries that are SIDS and/or LDCs; however, the requests do not include a breakdown of the proportion of budget allocated to each country. As such, this calculation is based on an equal division of the total project budget by the number of countries involved in the relevant multi-country funding requests.

(b) By funding amount requested

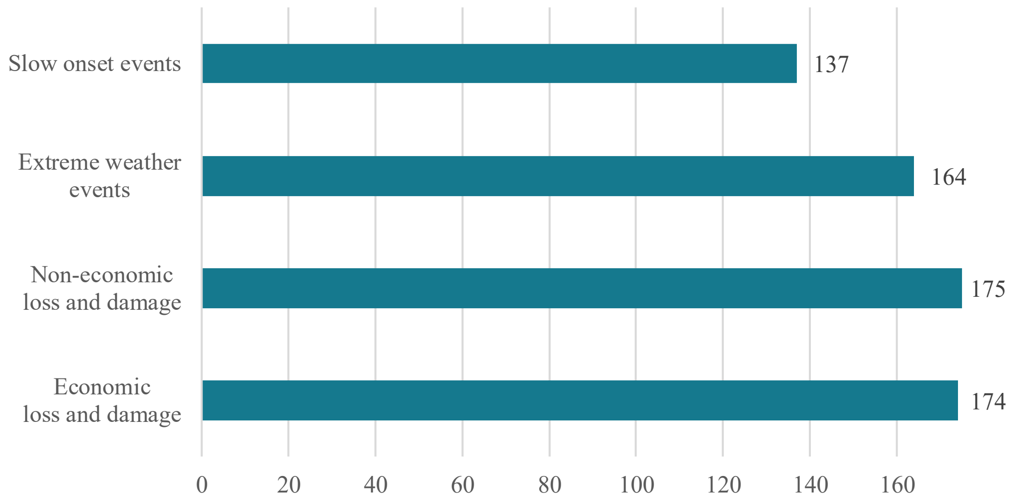


Abbreviations: B = billion, LAC = Latin American and the Caribbean, M = million, SIDS = small island developing States.

4. Thematic distribution

27. The pipeline covers a range of activities related to responding to economic and non-economic loss and damage from extreme weather events and slow onset events. As presented in figure 4, nearly all funding requests include activities related to responding to both economic and non-economic loss and damage. Approximately 93 per cent include responses to extreme events, and 78 per cent include responses to slow onset events.

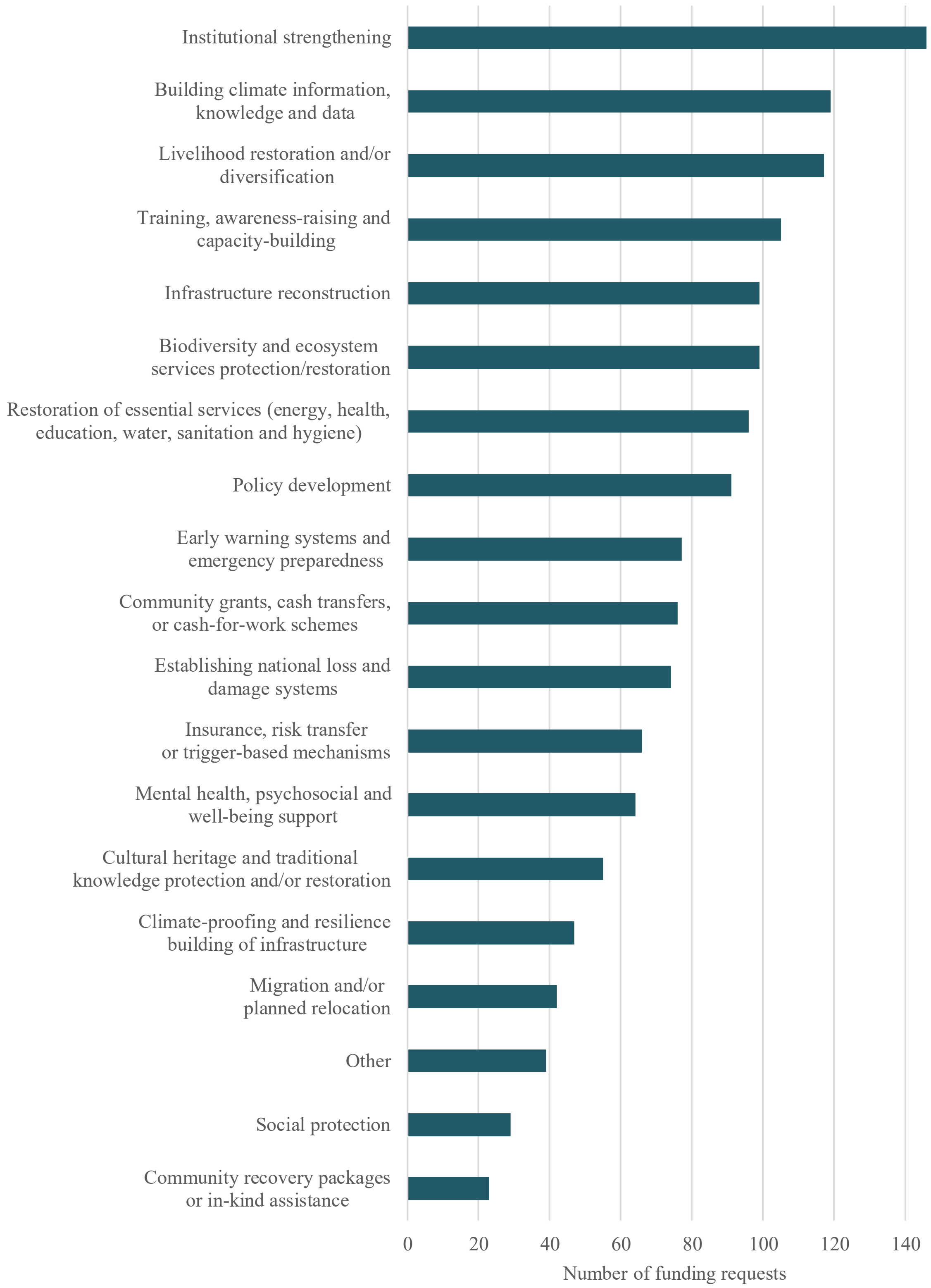
Figure 4
Breakdown by type of loss and damage addressed by funding requests



28. Figure 5 provides a breakdown by types of activities.[3] Overall, the majority of funding requests include readiness- and technical assistance-related activities such as institutional strengthening; building climate information, knowledge and data; and training, awareness-raising and capacity-building. Over half of the funding requests also include activities related to livelihood restoration and/or diversification, biodiversity and ecosystem services protection/restoration, and restoration of essential services. Social protection and community recovery packages or in-kind assistance are the least-often identified among the types of activities proposed in funding requests.

[3] The list of activities was developed through an analysis of the outcomes and activities proposed in the BIM funding requests. The categorization may be updated to align with the results measurement framework for the BIM adopted by the Board at B.9 in future reports.

Figure 5
Breakdown by types of activities[a]



[a] Examples of activities classified as “other” include: developing funding proposals and enabling access to finance; enabling social cohesion; and enabling inclusion and addressing the rights of vulnerable communities.

V. Actions taken to develop, operate and review the resource allocation system

29. At B.5 the Board decided that the funding for the BIM would incorporate the elements for a resource allocation parameter in accordance with paragraph 60 of the Governing Instrument, with a minimum allocation floor of 50 per cent for SIDS and LDCs, considering the limited resources available, while safeguarding against the overconcentration of support provided by the Fund in any given country, group of countries or region (decision B.5/D.4). The Board's decision at B.5 also included that, in accordance with paragraph 61 of the Governing Instrument, this system will be dynamic and reviewed by the Board.

30. The Board-approved resource allocation parameters for the BIM have been incorporated into the assessment methodology for reviewing funding requests under the BIM presented to the Board at B.9. This assessment methodology will be used by the Secretariat to recommend funding requests for Board consideration and approval.

VI. Determination of funding necessary and available

A. Long-term fundraising and resource mobilization strategy

31. At B.8, the Board decided that the resource mobilization strategy (RMS) will be developed based on a two-stage approach informed by the RMS framing paper and the views expressed by the Board members during B.8 (decision B.8/D.8).

32. The first stage (a short-term RMS) will be set up to address the immediate needs of the FRLD and to support the continued evolution of the FRLD, while the second stage (a long-term RMS) will accompany and reinforce the long-term model of the FRLD and fulfil the future ambitions of the FRLD. In the same decision, the Board requested the Co-Chairs, supported by the Secretariat and in consultation with the Board, to prepare a stage 1 RMS for its consideration at B.9.

33. At B.9, the Board decided that stage 1 of the RMS would support the scaling up of resources of the FRLD to ensure operational continuity of the BIM while transitioning to the long-term model (decision B.9/D.10). This decision also outlines three enabling steps for stage 1, namely: strategic positioning of the FRLD, guided by the uniqueness of its mandate and the demand signalled from responses to the BIM; ensuring rapid conversion of existing pledges; and urging new contributions to the FRLD, guided by decision 1/CP.28, paragraph 12, decision 5/CMA.5, paragraph 12, and the Governing Instrument, paragraphs 54–59.

B. Launch of the first replenishment process

34. Paragraph 55 of the Governing Instrument provides that the FRLD will have a periodic replenishment every four years. At B.7, the Board decided that the first replenishment cycle would start in 2027 (decision B.7/D.7, para. (e)). The replenishment process will be set and driven by the Board in a manner that ensures that all matters are determined by the Board while taking into consideration the views of relevant stakeholders through consultation.

35. Reflecting the above-mentioned B.7 decision, at B.9 the Board considered background paper on replenishment processes used by comparable funds and requested the Co-Chairs to present a proposal at B.10 on the essential elements of and sequence for development of the replenishment process (decision B.9/D.7), including options for fast-tracking the replenishment process with a view to ensuring the operational continuity of the FRLD, while maintaining its ability to respond to demonstrate demand, as well as advancing the transition to the long-term model of the FRLD.

VII. Engagement with the United Nations Framework Convention on Climate Change and its constituted bodies

36. During the reporting period, the FRLD engaged with the processes under the United Nations Framework Convention on Climate Change (UNFCCC), including the constituted bodies. In furtherance of paragraph 19 of the arrangements between the COP, the CMA and the Board, the FRLD was present at the two major UNFCCC negotiations within that period: COP 30/CMA 7, held from 10 to 21 November 2025 in Belém, Brazil, and the sixty-fourth sessions of the UNFCCC subsidiary bodies, held from 7 to 18 June 2026 in Bonn, Germany. In addition to the major negotiation sessions, the FRLD has been involved in the work of key UNFCCC constituted bodies that align with the scope and purpose of the FRLD, including the Standing Committee on Finance, the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (WIM) and the secretariat of the Santiago Network.

37. **COP 30/CMA 7 (November 2025)**: The FRLD was active at COP 30/CMA 7, working to connect with countries, engage with relevant negotiations and situate itself within the broader climate finance landscape. For the first time, the Secretariat fielded a dedicated team to support negotiations, led by the Executive Director. The COP and the CMA considered the second annual report of the FRLD to these bodies and provided guidance for the FRLD on several issues highlighted as key for the Parties (see chapter II of this report). Key achievements include the following:

(a) On the opening day of COP 30, the FRLD launched the first call for funding requests under the BIM (the start-up phase for the FRLD). The event was well attended by high-level representatives of the Parties, UNFCCC regional groups, civil society organizations, non-governmental organizations and international organizations. It received significant media coverage and broad support;

(b) The FRLD leveraged COP 30 to deepen stakeholder engagement, expand outreach and reinforce its role within the climate finance landscape. In collaboration with the Santiago Network and the WIM Executive Committee, the FRLD co-hosted an event led by the co-chairs of the three bodies, showcasing the opportunities for complementarity and coherence across the loss and damage support architecture. The session highlighted the three core pillars – knowledge (WIM Executive Committee), technical assistance (Santiago Network) and finance (FRLD) – and showed how their combined efforts can better support developing countries and communities responding to loss and damage.

38. **Sixty-fourth sessions of the subsidiary bodies (June 2026)**: The FRLD delegation was invited to provide updates and contributions at a number of mandated events and side events, especially on the progress related to the BIM start-up phase. The delegation also participated in the Work Programme on Climate Finance, which was established at COP 30. The delegation took this opportunity to monitor the views of both Party and non-Party stakeholders relevant to the overall mandate of the Fund. In addition, the FRLD also hosted a side event titled "A Conversation on Advancing FRLD's Start-Up Phase: Barbados Implementation Modalities". This event created a space for countries and other stakeholders to engage with the Secretariat on progress relating to the operationalization of the BIM. One of the Co-Chairs of the Board presented opening remarks, followed by a Secretariat presentation with updates on the BIM and a town hall-style question-and-answer segment.

39. **Standing Committee on Finance**: The FRLD continues to be involved with the Standing Committee on Finance, the UNFCCC's sole expert treaty body on climate finance. The FRLD engages as an observer to the meetings of this constituted body and was invited by the committee to provide updates and information, as appropriate, for the Standing Committee on Finance discussions on draft COP and CMA guidance to the FRLD. During the reporting period, the Secretariat participated in the thirty-ninth meetings of the Standing Committee on Finance in February 2026.

40. **WIM Executive Committee and Santiago Network**: Collaboration between the Secretariat and the WIM Executive Committee and the Santiago Network continues to

develop, with regular meetings and participation by the FRLD virtually in the sixth meeting of the Santiago Network Advisory Board in March 2026.

41. The WIM Executive Committee, the Santiago Network and the FRLD Co-Chairs held meetings in March 2026 to share updates from each entity and discuss ongoing work on enhancing complementarity and coherence and planned activities and events. In the time since these meetings, the various secretariats have engaged in initial discussions to further explore areas of collaboration.

VIII. High-level dialogue

42. The COP and the CMA stipulated that the FRLD would act as the platform for facilitating coordination and complementarity under the funding arrangements for responding to loss and damage by establishing and operationalizing an annual high-level dialogue (HLD) on coordination and complementarity, to be co-convened by the FRLD and the United Nations Secretary-General.[4]

43. The HLD was launched on the margins of the World Leaders Climate Action Summit in Baku on 12 November 2024, and the first HLD was held on 25 April 2025 on the margins of the World Bank Group and International Monetary Fund Spring Meetings under the theme "Strengthening responses to loss and damage through complementarity, coherence and coordination". The subsequent report of the first HLD, titled "Strengthening responses to loss and damage through complementarity, coherence and coordination", set out six key recommendations (see annex III to document FRLD/B.6/4 for more details).

44. The Secretariat, in discussion with the United Nations Secretary-General, began developing the initial concept of the second HLD, which is expected to build directly on the outcomes and recommendations of the first HLD, further strengthening the platform to advance collaboration and enhance engagement among organizations across the loss and damage climate finance architecture. While the second HLD is still in the planning stage, the Secretariat continue to work closely with the Board to strengthen the high-level engagement with the funding arrangements.

IX. Actions to enhance coordination and complementarity

45. In addition to its engagement with the WIM Executive Committee and the Santigo Network and the work organizing the HLD, the Secretariat focused on increasing complementarity and coherence in several ways, including through participation in the Multilateral Climate Funds Task Force meetings and working groups and participation in proceedings and panels during the eighth Global Environment Facility Assembly in Uzbekistan.

X. Stakeholder engagement

A. Active and other observer engagement

46. From October 2025 to July 2026, the Secretariat convened monthly meetings with representatives of the nine observer constituencies of the UNFCCC. The purpose of the meetings was to agree on the principles of how to gather inputs from observer representatives on co-convening consultations on several matters including a draft policy regarding the participation of active observers and draft guidelines on consultative forums, in response to decision B.6/D.6.

47. The Secretariat progressed on the co-convening process requested by the Board through virtual webinar consultations and in-person meetings. Consultation outputs informed

[4] Decision 1/CP.28, annex II, para. 8, and decision 5/CMA.5, annex II, para. 8.

the development of revised draft guidelines on consultative forums and a draft policy on observer participation, submitted for consideration at B.9.

48. The Secretariat engaged with the Climate Investment Funds and the Santiago Network and through the Multilateral Climate Funds Task Force Committee on how to improve observer engagement in executing the mandate of the FRLD.

B. Consultative forums and other mechanisms for stakeholder input

49. The Secretariat, under the leadership of the Executive Director, also engaged with civil society representatives on the sidelines of major meetings and events – for instance, on the sidelines of B.8, in Lusaka after B.8 and in Bridgetown, Barbados, in May 2026. The meetings were organized to solicit views and perspectives on observer matters under the FRLD, the status of operationalization of the FRLD, and B.8 preparations and outcomes.

50. In addition, the regular dialogues with observers were conducted with the FRLD Secretariat leadership as well as the Co-Chairs on the margins of B.9. Both dialogues highlight a variety of priorities for the different observers. One central priority mentioned by several observers was the need for the Board to urgently adopt the draft guidelines and policy related to observer engagement. It should be noted that these dialogues were in addition to the standing agenda item “Dialogue with civil society” for Board meetings.

51. Moreover, region-specific sessions were launched, with the first being a seminar in Barbados and participation of the Secretariat in a regional conference in the western Balkans. Information webinars continued to provide participants with a comprehensive overview of the mandate and objectives of the FRLD, as well as details on the scope, funding criteria, funding cycle and access modalities for the BIM.

XI. Transition to the new dedicated and independent Secretariat of the FRLD

52. The transition from the interim to the independent Secretariat was completed as at the end of B.7. The Secretariat continues to advance staff recruitment, based on its workplan, to strengthen the capacity required to deliver its mandate. By mid-January, the executive management team, comprising the Executive Director, the Deputy Executive Director and five programme managers, was fully in place and leads the core workstreams of the FRLD.

53. Together, members of the executive management team bring a wealth of expertise from diverse geographic and thematic backgrounds – representing seven nationalities across four continents, with four women and three men – reflecting a strong commitment to diversity and inclusion. In addition to recruitment, the Secretariat has been refining internal processes and fostering a collaborative, multicultural work environment to support efficient and effective delivery.

54. At B.9, the Board approved additional administrative budgets of the FRLD for 2026 seeking to reflect the incremental resources required to ensure effective delivery of its core mandates, including the implementation of Board decisions and the ongoing operationalization of the FRLD (decision B.9/D.1).

XII. Other information

55. Pursuant to the arrangements between the COP, the CMA and the Board, the Board is required to include in its annual reports to the COP and the CMA various categories of information that are not yet applicable given the current level of maturity of the FRLD.

56. Such information includes any reports of the independent evaluations of the performance of the FRLD. Information on these aspects will be included in future reports as soon as related progress has been made.

Annex

Members and alternate members to the Board of the Fund for responding to Loss and Damage as at 31 July 2026

Members and alternate members of the Board of the Fund for responding to Loss and Damage as at 31 July 2026[a]

Constituency	*Board members*	*Alternate Board members*
Developed countries	Antonella Baldino (Italy)	Karima Oustadi (Italy)
Developed countries	Natascha Beinker (Germany)	Simon Stumpf (Germany)
Developed countries	Antoine Bergerot (France)	Loreleï Lankester (France)
Developed countries	Georg Børsting (Norway) **(Co-Chair)**	Odd Magne Ruud (Norway)
Developed countries	Inmaculada Paniagua Brieva (Spain)	Ana Cameria (Portugal)
Developed countries	Jose Gabriel Delgado Jimenez (Austria)	Georges Gehl (Luxembourg)
Developed countries	Lauren Dodds (Canada)	Cassie Moll (New Zealand)
Developed countries	Jan Dusik (European Union)	Orla Kilcullen (Ireland)
Developed countries	Willam Eckersley (United Kingdom)	Margarete Knorr (United Kingdom)
Developed countries	Kirsty McNichol (Australia)	Tessa Kelly (Australia)
Developed countries	Kajsa Nåtby (Sweden)	Jette Michelsen (Denmark)
Developed countries	Kazuho Taguchi (Japan)	Tsuyoshi Hyokai (Japan)
Asia-Pacific States	Tamim Alothimin (Saudi Arabia)	Yolando Velasco (Philippines)
Asia-Pacific States	Abdulla Balalaa (United Arab Emirates)	Didar Temenov (Kazakhstan)
Asia-Pacific States	Ali Tauqeer Sheikh (Pakistan)	Seyed Mohammad Sadatinejad (the Islamic Republic of Iran)
African States	David Chama Kaluba (Zambia)	Selam Kidane Abebe (Ethiopia)
African States	Mohamed Ibrahim Nasr Salem (Egypt)	Nsiala Tosi Mpanu Mpanu (Democratic Republic of the Congo)
African States	Richard Sherman (South Africa)	Sumaya Ahmed Zakieldeen Hamdan (Sudan)
Latin American and Caribbean States	Walter Schuldt (Ecuador)	Judith Torres (Uruguay)
Latin American and Caribbean States	Tomas Soley Perez (Honduras)	Camila Muñoz Ucros (Colombia)
Latin American and Caribbean States	Camila Minerva Rodriguez Tavarez (Dominican Republic) **(Co-Chair)**	Milagro Lilly Matus (Belize)
Small island developing States	Peter George Abraham Jr (Antigua and Barbuda)	Laura Elisabeth Agathine (Seychelles)

Constituency	*Board members*	*Alternate Board members*
Small island developing States	Isaac Glassie-Ryan (Cook Islands)	Ahmed Waheed (Maldives)
Least developed countries	Adao Soares Barbosa (Timor-Leste)	Maheshwar Dhakal (Nepal)
Least developed countries	Ibila Djibril (Benin)	Madeleine Rose Diouf (Senegal)
Developing countries not included in the regional groups and constituencies referred to in paragraph 17(b–f) of the Governing Instrument	Nona Budoyan (Armenia)	Oday Hadi Haddawee Al-Bayati (Iraq)

[a] This table does not reflect temporary membership changes.