
# DAILY POLICY UPDATES FOR THE SIXTH MEETING OF THE BOARD OF FUND FOR RESPONDING TO LOSS AND DAMAGE

*9th to the 11th of July 2025*
*09:00h - 18:00h GMT+8*
*Cebu, Philippines*

lossanddamagecollaboration.org

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# ACKNOWLEDGEMENTS

This living document has been prepared by the Loss and Damage Collaboration (L&DC) led by Teo Ormond-Skeaping and Brenda Mwale who can be contacted on teo[@]lossanddamagecollaboration.org and brenda[@]lossanddamagecollaboration.org.

**Image credit:** Participants in the grandest Sinulog festival in Cebu, Philippines on January 19, 2020. Contingent dance to the rhythm of drums and bugles to honor the Holy Child Jesus Sto. Nino de Cebu. Cebu, the host city for B6, is facing significant climate change impacts, including rising sea levels, increased rainfall leading to more flooding, and changes in temperature and sunshine duration. These changes pose threats to the region's coastal areas, infrastructure, and communities, with potential impacts on public health, agriculture, and the economy. (Shutterstock)

# INTRODUCTION

The sixth meeting of the Board (B6) of the Fund for Responding to Loss and Damage (FRLD) will take place from 9 to 11 of July, 2025 in Cebu, Republic of the Philippines. The provisional agenda, which is subject to change, lists important issues including but not limited to:

- Report of the fifth meeting of the Board;
- Report of the Secretariat including:
    - Report on the activities of the Secretariat; and
    - Report on the execution of the administrative budget.
- Operationalising the Barbados Implementation Modalities (BIM);

- Establishment of the new, dedicated and independent Secretariat: organisational structure of the Secretariat;
- Long-term resource mobilisation strategy and plan to mobilise financial resources;
- Report of the Co-Chairs;
- Report of the Board to the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) at its thirtieth session (COP 30) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its seventh session (CMA 7) ;
- Performance management process for the Executive Director, including:
    - Performance evaluation of the Executive Director for 2024–2025; and
    - Performance management process for the Executive Director for 2025 onward.
- Status of resources;
- Matters related to active observers and other stakeholders; and
- Dialogue with civil society.

Across the next three days we will provide updates on all of the agenda items discussed in open sessions by the Board.

# KEY DOCUMENTS AND LINKS

We have identified the following key documents and links to help you follow the meeting:

- Find the provisional agenda for the meeting here (02/07/2025 ).
- Find the documents for the meeting here.
- Follow via the webcast playlist here.
- See the World Bank webpage for the FRLD trust to see how much as been paid in and who has turned pleiades into contributions here*
- See the UNFCCC webpage tracking pledges here**
- Read our key messages for B6 here.

- Find out what happened at B5 here.

*/**Note: A status of resources document will be issued during the meeting, this may include more up to date figures, which will include greater details on the ).

# OVERVIEW OF WHAT HAPPENED AT B6

The sixth meeting (B6) of the Fund for Responding to Loss and Damage saw intense discussions and looked as if it would collapse at one point as Board members tried to advance the operationalisation of the Barbados Implementation Modalities (BIM) —the start up phase of the Fund.

During the meeting we saw several extremely troubling trends emerge as developed countries tried to push for funding criteria that would likely create significant barriers for developing countries to submit proposals to the FRLD under the BIM and for direct access modalities that would block a large number of developing from receiving direct budget support from the FRLD. The same issues that we understand to have stopped the documents prepared by the Secretariat on the BIM under the mandate given to them at B5 from being released ahead of the meeting.

We also saw a continued concerted effort by developed countries to advance their position that the FRLD should only support the most vulnerable developing countries —which they consider to be the Least Developed Countries and Small Island Developing States. With the Board member from Germany, Sebastian Lesch, going so far as to say the "Fund is not for everyone".

However, throughout B6 we saw powerful and technically sharp interventions from civil society stressing the importance of meaningful participation, how the FRLD can operationalise community access, the need to fill the fill the fund with hundreds of billions of USD a year, and why the Fund was created in the first place: "to bail out people suffering from the climate crisis"

Despite these significant challenges, the Board was able to adopt a number of (mostly procedural) decisions at B6 including but not limited to: taking note of the state of the Barbados Implementation Modalities (BIM) document, providing guidance to designated national authorities / national focal points, tasking the Co-Chairs to speak to the World Bank as trustee of the FRLD to confirm whether or not that direct access via direct budget support can be provided to all developing countries. Are these decisions enough to advance the implementation of Loss and Damage response at the pace and scale required

under the FRLD? No. But, the risk of a bad deal on the BIM for developing countries, one that sets a precedent that leads to a FRLD that is not accessible, does not serve all developing countries, nor reaches the scale of the needs is reason not to rush.

For the first time we also saw the Board consider the resource mobilisation strategy for the Fund, albeit only to make a procedural decision confirming that the strategy will be delivered as mandated by the close of B7. This is a critically important piece of work, especially taking into account that the FRLD has only seen 361 million USD paid into its trust fund from the 768 million pledged to date and that only 98 million USD will be left in the trust following the BIM if further resources are not delivered. We also heard from the developing country constituency in a press conference on the first day of B6, that they maintain their expectations for the FRLD to "program at least USD 100 billion a year by 2030" and that "estimates of funding needs for economic damages alone in developing countries are now projected to be in the order of USD 395 billion in 2025, with a range of USD 128-937 billion." This important press conference also launched a new global campaign to demand the rich polluting countries in the global North meet their human rights and legal obligations to fill the Fund.

Importantly, we also saw recognition of the failure of the FRLD's Secretariat to deliver on their mandate from B4 to undertake inclusive and meaningful consultations with civil society. With developing country Co-Chair Richard Sherman proposing, and the Board adopting, a decision reinforcing that mandate and taking the Secretariat to work with representatives of the nine UNFCCC constituencies to co-convene consultations to ensure that they are meaningful and inclusive.

Below you will find screen shots of the decisions adopted at B6 and a brief description of each decision. For detailed reporting on each agenda item use the table of contents to navigate to the relevant section of this document.

Decisions taken include:

- The Board adopted a decision to take note of the state of the Barbados Implementation Modalities (BIM) document (which will be contained in an annex) and requests the secretariat to hold consultations on the BIM. On the document the aim is to share the annex in the coming days following all inputs from colleagues being included.

The Board:

*Takes note* of the state of the Barbados Implementation Modalities document, as contained in annex to this decision, and the oral and written comments made by the Board during B.6;

*Requests* the Secretariat, under the guidance of the Co-Chairs, to continue consultations on the Barbados Implementation Modalities document on the basis of the annex to this decision, the views expressed by the Board at B.6, and through open, inclusive, and transparent consultations with the Board, with a view to circulating an updated document in accordance with the Rules of Procedure for consideration and adoption at B.7.

- The Board decided to request the Secretariat with the Co-Chairs to submit an addendum to the report of the Board to the COP and CMA which will include the summary of the final outcomes of the final Board meeting of the year (B7).

- The Board adopted a decision reinforcing the mandate to the Secretariat to hold consultations with the Board and the 9 observer constituencies to the UNFCCC on on the active observer policy for the FRLD and the setting up of consultative forums. Under this decision the Secretariat will co-convene the consultations with observers to ensure that they are broad and inclusive.

The Board:

(a) *Requests* the Secretariat to continue inclusive and iterative consultations with the Board, and the representatives of the nine observer constituencies of the United Nations Framework Convention on Climate Change. ~~and~~

~~(a)~~(b) *Also requests* the Secretariat, ~~i~~In collaboration with these observer representatives, ~~the Secretariat is also asked~~ to co-convene consultations with other relevant stakeholders on a draft policy on the participation of active observers in Board meetings and related proceedings and a draft proposal for guidelines on consultative forums for engaging and communicating with stakeholders, and to ~~be~~ present ~~themed~~ for consideration by the Board at its ninth meeting;

(c) *Further requests* the Budget Committee to review potential budgetary implications for the implementation of the "blanket approach" for accreditation of observer organizations agreed by the Board in decision B.4/D.7, and for the design of the comprehensive framework for observer engagement, in line with its mandate, and to inform the Board accordingly.

~~(b)~~(d) *Decides* that ~~adequate~~ resources will be allocated, taking into account the Budget Committee review and/or recommendation ~~and as necessary, to implement the "blanket approach" for accreditation of observer organizations agreed by the Board in decision B.4/D.7, and to design a comprehensive framework for observer engagement;~~

- The Board adopted a decision on the process of delivering the resource mobilisation strategy for the FRLD. This procedural decision confirms the Board's intent to deliver the resource mobilisation by B7 as planned and requests the Secretariat to prepare the draft long term mobilisation strategy through an inclusive consultation strategy.

The Board:

(a) *Reaffirms* the Board workplan adopted with decision B.2/D.10, and refers, in particular, to annex VII Paragraph 5 (e) of that decision;

(b) *Requests* the Secretariat, in line with decision B.4/D.3(b) to prepare a draft long-term resource mobilization strategy and plan through an inclusive and iterative consultation process with the Board, to be presented for consideration by the Board no later than at its seventh meeting;

(c) *Also requests* that the strategy be guided by paragraph 16 of decisions 5/CP.29 and 11/CMA.6 and paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and [be based on] paragraphs 54 to 56 of the Governing Instrument.

- The Board adopted a decision to mandate the Co-Chairs and FRLD Secretariat to speak to / negotiate with the World Bank as the trustee of the FRLD to ensure that World Bank can deliver direct access via direct budget support to all developing countries.

***DECISION B.6/D.X: Operationalizing the Barbados Implementation Modalities: Guidance to the Co-Chairs for engagement with the interim Trustee***

The Board,

*Recalling* its decision B.5/D.4,

(a) *Requests* the Co-Chairs of the Board, with the assistance of the Secretariat, to engage with the interim Trustee to identify the modalities to facilitating **direct access via direct budget support** as part of the Barbados Implementation Modalities as well as for the long-term model of the Fund, in compliance with decisions 1/CP.28 and 5/CMA.5, and to present the result of this, with different options, their associated implications and, where relevant, further guidance for implementation, engagement to the Board at its seventh meeting.

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :

(~~ia~~) all developing ~~country~~ countries ~~Parties that are particularly vulnerable to the adverse effects of climate change shall be~~are allowed to directly access resources from the Fund, including through national and regional entities ~~(paragraph 20(e))~~, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~); and

(~~ii~~b) Parties to the Convention and the Paris Agreement that are not member countries of the World Bank are ensured access to the Fund without requiring decisions or waivers from the World Bank Board of Directors on individual funding requests (paragraph 20(g) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~);

(c) *Further requests* the Co-Chairs of the Board, as part of the engagement in para A above, to explore and present options for possible arrangements for direct access via direct budget support to be provided to national public entities instead of Treasury and/or Ministry of Finance, at the request of the focal point of the Fund and with the agreement of the country's Treasury and/or Ministry of Finance, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

(d) ~~3.~~ *Further requests / Notes that*, for the purpose of the Co-Chairs' engagement described in paragraph X and X, and without prejudice to the full operationalisation of the Barbados Implementation Modalities or the development of the long-term model of the Fund, **that the modalities to be explored** for the BIM will support bottom-up, country-led and country-owned approaches to loss and damage that promote and strengthen national responses to and systems for loss and damage, including through the development and implementation of:

(i) rapid disbursement modalities to respond to climate-induced extreme weather events;

(ii) national-level loss and damage response activities; and
(iii) other forms of budget support related to policies and programmes for responding to loss and damage.

(e) *Further requests* that the Co-Chairs, based on the outcomes of the engagement with the interim Trustee described in para X to X of this decision, consult with other relevant entities as may be required.

- The Board adopted a decision to provide guidance to designated national authorities / focal points.

**DRAFT DECISION B.6/D.X: Guidance for FRLD focal points**

The Board:

(a) *Adopts* the guidance for FRLD focal points as contained in the annex to this decision, to apply to both national authorities and national focal points;

(a) *Requests* the Secretariat to provide ~~[new]~~ focal points with relevant background and guidance to facilitate their entry into this role, and to maintain regular communication with them;

(b) *Also requests* the Secretariat to review the guidance for FRLD focal points at the conclusion of the Barbados Implementation Modalities and present updated guidance for consideration by the Board at B.12, and to review the guidance every three years thereafter to ensure they remain fit for purpose.

**ANNEX**

## I. Institutional framework for designation of focal point

### A. Designation authority

2. Countries may designate a national authority or national focal point (together referred to as "focal point(s)") in accordance with paragraph 48 of the Governing Instrument, which states that, "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. (…)". Countries are encouraged to designate a focal point following approval of this Guidance by the Board and before the launch of the call for proposals.

### B. Selection of focal point(s)

3. Countries may select a focal point from within a government agency or entity of their choice taking into consideration already existing relevant loss and damage focal points with a view to enhance national coherence, coordination and synergies. The selected institution should have a clear mandate and capacity for cross-sectoral coordination to effectively manage loss and damage programming.

## C. Contact and structure

4. Each focal point shall maintain:

(a) One primary senior-level signatory with the authority to sign official correspondence;

(b) At least one secondary technical-level contact for operational coordination.

## II. Functions and responsibilities of the focal points

5. Communication and documentation

6. The focal point's contact information should be kept up-to-date by the country and be readily available on the FRLD website.

7. The focal point will:

(a) Maintain regular communication with the FRLD Secretariat;

(b) Retain all relevant documentation related to proposals and/or funding requests;

(c) Ensure timely submission of required reports and updates;

(d) Be consulted on any proposals and/or requests for funding through any access modalities, including those referred to in paragraph 49 of the Governing Instrument.

## B. Access modalities

8. The focal point's role is to submit to the FRLD the proposals and/or funding requests based on the access modalities available, consistent with paragraph 49 of the Governing Instrument.

# DAY 3

The webcast for day three is here and the provisional schedule is here.

Agenda items that were to be discussed today include (all times are in local time GMT+8):

- 09:30 – 10:15 Report on the activities of the Secretariat
- 10:15 – 11:30 Matters related to active observers and other stakeholders
- 11:30 – 11:45 Coffee break
- 11:45 – 13:00 Operationalizing the Barbados Implementation Modalities
- 13:00 – 14:00 Lunch break
- 14:00 – 15:30 Operationalizing the Barbados Implementation Modalities
- 15:30 – 15:45 Coffee break
- 15:45 – 16:30 Cont. Operationalizing the Barbados Implementation Modalities
- 16:30 – 16:45 Other matters
- 16:45 – 17:00 Closure of the meeting

Note that the Board did not stick to this schedule.

## Agenda Item 15: Closure of the Meeting

Co-Chair Jean-Christophe Donnellier, closed the meeting stressing the short amount of time until B7 and that it would have been sensible to postpone B7 by a few weeks to allow more time for interim work. He also thanked Board members that were leaving the Board including the representative from Canada, Laurence Ahoussou, and Germany, Sebastian Lesch and also wished Yolando (Lando) Velasco from the UNFCCC secretariat farewell as this is his last Board meeting.

# Agenda Item 5: Operationalizing the Barbados Implementation Modalities (Guidance on the National Designated Authority)

In this session the Board returned to consideration of the guidance that would be provided to national designated authorities / focal points under the BIM and the decision was adopted.

**DRAFT DECISION B.6/D.X: Guidance for FRLD focal points**

The Board:

(a) *Adopts* the guidance for FRLD focal points as contained in the annex to this decision, to apply to both national authorities and national focal points;

(a) *Requests* the Secretariat to provide ~~[new]~~ focal points with relevant background and guidance to facilitate their entry into this role, and to maintain regular communication with them;

(b) *Also requests* the Secretariat to review the guidance for FRLD focal points at the conclusion of the Barbados Implementation Modalities and present updated guidance for consideration by the Board at B.12, and to review the guidance every three years thereafter to ensure they remain fit for purpose.

**ANNEX**

# I. Institutional framework for designation of focal point

## A. Designation authority

2. Countries may designate a national authority or national focal point (together referred to as "focal point(s)") in accordance with paragraph 48 of the Governing Instrument, which states that, "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. (…)". Countries are encouraged to designate a focal point following approval of this Guidance by the Board and before the launch of the call for proposals.

## B. Selection of focal point(s)

3. Countries may select a focal point from within a government agency or entity of their choice taking into consideration already existing relevant loss and damage focal points with a view to enhance national coherence, coordination and synergies. The selected institution should have a clear mandate and capacity for cross-sectoral coordination to effectively manage loss and damage programming.

## C. Contact and structure

4. Each focal point shall maintain:

(a) One primary senior-level signatory with the authority to sign official correspondence;

(b) At least one secondary technical-level contact for operational coordination.

# II. Functions and responsibilities of the focal points

5. Communication and documentation

6. The focal point's contact information should be kept up-to-date by the country and be readily available on the FRLD website.

7. The focal point will:

(a) Maintain regular communication with the FRLD Secretariat;

(b) Retain all relevant documentation related to proposals and/or funding requests;

(c) Ensure timely submission of required reports and updates;

(d) Be consulted on any proposals and/or requests for funding through any access modalities, including those referred to in paragraph 49 of the Governing Instrument.

## B. Access modalities

8. The focal point's role is to submit to the FRLD the proposals and/or funding requests based on the access modalities available, consistent with paragraph 49 of the Governing Instrument.

# Agenda Item 7: Resource Mobilisation Strategy

This procedural decision confirms the Boards intent to deliver the resource mobilisation by B7 as planned and requests the Secretariat to prepare the draft long term mobilisation strategy through an inclusive consultation strategy. The decision was adopted.

**DRAFT DECISION B.6/D.X:**

The Board:

(a) *Reaffirms* the Board workplan adopted with decision B.2/D.10, and refers, in particular, to annex VII Paragraph 5 (e) of that decision;

(b) *Requests* the Secretariat, in line with decision B.4/D.3(b) to prepare a draft long-term resource mobilization strategy and plan through an inclusive and iterative consultation process with the Board, to be presented for consideration by the Board no later than at its seventh meeting;

(c) *Also requests* that the strategy be guided by paragraph 16 of decisions 5/CP.29 and 11/CMA.6 and paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and be based on paragraphs 54 to 56 of the Governing Instrument.

Comments included:

**Abdulrahman Fahad A Alrowished, Board member for Saudi Arabi**

- Asked for "be based on" to be removed.

The Board:

(a) *Reaffirms* the Board workplan adopted with decision B.2/D.10, and refers, in particular, to annex VII Paragraph 5 (e) of that decision;

(b) *Requests* the Secretariat, in line with decision B.4/D.3(b) to prepare a draft long-term resource mobilization strategy and plan through an inclusive and iterative consultation process with the Board, to be presented for consideration by the Board no later than at its seventh meeting;

(c) *Also requests* that the strategy be guided by paragraph 16 of decisions 5/CP.29 and 11/CMA.6 and paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and [be based on] paragraphs 54 to 56 of the Governing Instrument.

# Agenda Item 12: Matters related to active observers and other stakeholders

The Board did not have time to discuss matters relating to active observers and other stakeholders yesterday.

## ***Background information***

Under this agenda item the Board will be invited to take note of the progress made on matters relating to active observers and other stakeholders, based on the information provided by the Secretariat, and to provide guidance, as appropriate.

At B.4, the Board adopted decision B.4/D.6, requesting the Secretariat, with the support of the interim secretariat, to further develop a draft policy on the participation of active observers in Board meetings and related proceedings and undertake consultations with the nine UNFCCC observer constituencies and other stakeholders.

However, as made clear by representatives of civil society and Indigenous Peoples as well as developing country Co-Chair Richard Sherman during the dialogue with civil society, the consultations have been carried out in an insufficient manner. As a result, during the dialogue Co-Chair Richard Sherman proposed to the Board to consider tasking the Secretariat with active observers to co-facilitate the consultations to ensure meaningful

participation. Therefore we expect this proposal to be further considered under the agenda item.

In addition to the active observer policy, efforts to fully define an accreditation framework for observers (decision B.4/D.7) and to elaborate guidelines on consultative forums for engaging and communicating with stakeholders (decision B.4/D.8) are also underway. Under decision B.4/D.7, the Board also agreed to apply a "blanket approach" to observer accreditation for an interim period of no more than three years. The Board requested the Secretariat to report on the implementation of this decision at every meeting of the Board, starting at B.5 until the comprehensive framework is adopted. Therefore, we can expect to hear updates from the Secretariat on the progress of work under these two mandates.

## ***Today's session***

Co-Chair Richard Sherman, reiterated the challenges in relation to consultations. Made clear the decision was intended to confirm to observers that the Board had not forgotten about these consultations.

Under this decision the Secretariat will co-convene the consultations with observers to ensure that they are broad and inclusive. It's about re-enforcing the mandate already given to the Secretariat and to ensure there are resources for the blanket approach for accrediting observers. .

The Board:

(a) *Requests* the Secretariat to continue inclusive and iterative consultations with the Board, and the representatives of the nine observer constituencies of the United Nations Framework Convention on Climate Change, ~~and~~

~~(a)~~(b) *Also requests* the Secretariat, ~~i~~In collaboration with these observer representatives, ~~the Secretariat is also asked~~ to co-convene consultations with other relevant stakeholders on a draft policy on the participation of active observers in Board meetings and related proceedings and a draft proposal for guidelines on consultative forums for engaging and communicating with stakeholders, and to ~~be~~ present themed for consideration by the Board at its ninth meeting;

(c) *Further requests* the Budget Committee to review potential budgetary implications for the implementation of the "blanket approach" for accreditation of observer organizations agreed by the Board in decision B.4/D.7, and for the design of the comprehensive framework for observer engagement, in line with its mandate, and to inform the Board accordingly.

~~(b)~~(d) *Decides* that ~~adequate~~ resources will be allocated, taking into account the Budget Committee review and/or recommendation ~~and as necessary, to implement the "blanket approach" for accreditation of observer organizations agreed by the Board in decision B.4/D.7, and to design a comprehensive framework for observer engagement;~~

The decision was adopted.

**Liane Schalatek of the Heinrich-Böll-Stiftung Washington**, DC, spoke on behalf of the Women Gender Constituency

- Asked for assurance that budget support for the consultations would be forthcoming.

**Co-Chair Richard Sherman**

- Confirmed that the budget committee would make that decision.

## Agenda Item 5: Operationalizing the Barbados Implementation Modalities: Guidance to the Co-Chairs for engagement with the interim Trustee (Part II)

Out of yesterday's discussions emerged the need for the Co-Chairs and FRLD Secretariat to speak to / negotiate with the World Bank as the trustee of the FRLD to ensure that World Bank can deliver direct access via direct budget support to all developing countries. The Board failed to adopt a decision the first time it was raised this afternoon, but it was brought back to the table.

The updated draft text for consideration by the Board reads as follows:

***DECISION B.6/D.X: Operationalizing the Barbados Implementation Modalities: Guidance to the Co-Chairs for engagement with the interim Trustee***

The Board,

*Recalling* its decision B.5/D.4,

(a) *Requests* the Co-Chairs of the Board, with the assistance of the Secretariat, to engage with the interim Trustee to identify the modalities to facilitating **direct access via direct budget support** as part of the Barbados Implementation Modalities as well as for the long-term model of the Fund, in compliance with decisions 1/CP.28 and 5/CMA.5, and to present the result of this, with different options, their associated implications and, where relevant, further guidance for implementation, engagement to the Board at its seventh meeting.

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :

(i) all developing country Parties that are particularly vulnerable to the adverse effects of climate change shall be allowed to directly access resources from the Fund, including through national and regional entities, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of the COP/CMA decisions); and

(ii) Parties to the Convention and the Paris Agreement that are not member countries of the World Bank are ensured access to the Fund without requiring decisions or waivers from the World Bank Board of Directors on individual funding requests (paragraph 20(g) of the COP/CMA decisions);

(c) *Further requests* the Co-Chairs of the Board, as part of the engagement in para A above, to explore and present options for possible arrangements for direct access via direct budget support to be provided to national public entities instead of Treasury and/or Ministry of Finance, at the request of the focal point of the Fund and with the agreement of the country's Treasury and/or Ministry of Finance, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

(d) *Further requests / Notes that*, for the purpose of the Co-Chairs' engagement described in paragraph X and X, and without prejudice to the full operationalisation of the Barbados Implementation Modalities or the development of the long-term model of the Fund, **that the modalities to be explored** will support bottom-up, country-led and country-owned approaches to loss and damage that promote and strengthen national responses to and systems for loss and damage, including through the development and implementation of:

(i) rapid disbursement modalities to respond to climate-induced extreme weather events;

(ii) national-level loss and damage response activities; and
(iii) other forms of budget support related to policies and programmes for responding to loss and damage.

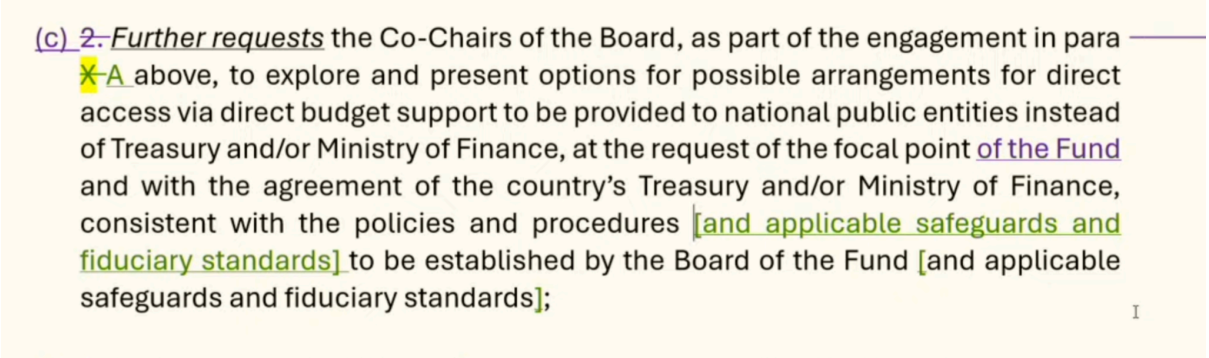
(e) *Further requests* that the Co-Chairs, based on the outcomes of the engagement with the interim Trustee described in para X to X of this decision, consult with other relevant entities as may be required.

The decision would give the Co-Chairs and Secretariat a task and direction for how to carry that out.

Selected comments included:

**Hiroki Matsui, Board member for Japan**

- Asked for clarification on the use of the word treasury / ministry finance.
- Asked for clarification on the use of "other forms of budget support" in paragraph d (iii).
- Suggested proposed text on safeguards and fiduciary standards.


(c) ~~2.~~ *Further requests* the Co-Chairs of the Board, as part of the engagement in para ~~X~~ A above, to explore and present options for possible arrangements for direct access via direct budget support to be provided to national public entities instead of Treasury and/or Ministry of Finance, at the request of the focal point of the Fund and with the agreement of the country's Treasury and/or Ministry of Finance, consistent with the policies and procedures [and applicable safeguards and fiduciary standards] to be established by the Board of the Fund [and applicable safeguards and fiduciary standards];

**Co-Chair Richard Sherman**

- Confirmed that the treasury / ministry finance is used interchangeably in many countries.

**Dan Lund, Board Member for Fiji**

- On budget support, explained that the Co-Chairs will need to give examples of what types of support for loss and damage would direct budget support be used for: rapid discernment, national level loss and damage response, other forms of budget support (e.g. responding to slow onset events).

**Hiroki Matsui, Board member for Japan**

- Asked for removal of the sentence on "other forms of budget support".

**Co-Chair Richard Sherman**

- Explained that it was about referencing the practices of direct budget support under the World Bank.

(a) ~~1.~~ *Requests* the Co-Chairs of the Board, with the assistance of the Secretariat, to engage with the interim Trustee to identify the ~~approach~~ modalities to facilitating **direct access via direct budget support** as part of the Barbados Implementation Modalities as well as for the long-term model of the Fund, [with reference to the precedent practices of direct budget support provided by WB and other relevant entities, both multilateral and bilateral including on areas outside of climate change], in compliance with decisions 1/CP.28 and 5/CMA.5, and to present the result of this ~~engagement to the Board at its seventh meeting~~, with different options, their associated implications and, where relevant, further guidance for implementation, engagement to the Board at its seventh meeting.

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :~~based on the understanding that:~~

**Co-Chair Richard Sherman**

- Explained the proposed change on safeguards and fiduciary standards as it is not in the governing instrument of the FRLD. The FRLD has agreed on functional equivalency to the World Bank.
- Makes clear that nothing in the decision decides anything, it simply asks the Co-Chairs to go and ask the World Bank questions.

(c) ~~2.~~ *Further requests* the Co-Chairs of the Board, as part of the engagement in para ~~X~~ A above, to explore and present options for possible arrangements for direct access via direct budget support to be provided to national public entities instead of Treasury and/or Ministry of Finance, at the request of the focal point of the Fund and with the agreement of the country's Treasury and/or Ministry of Finance, consistent with the policies and procedures [and applicable safeguards and fiduciary standards] to be established by the Board of the Fund [and applicable safeguards and fiduciary standards];

**Anna Merrifield, Board Member for Finland**

- Concerned about agreeing with something that capitals won't be happy with.
- Requested to add "including"

(c) ~~2.~~ *Further requests* the Co-Chairs of the Board, as part of the engagement in para ~~X~~ A above, to explore and present options for possible arrangements for direct access [including] via direct budget support to be provided to national public entities instead of Treasury and/or Ministry of Finance, at the request of the focal point of the Fund and with the agreement of the country's Treasury and/or Ministry of Finance, consistent with the policies and procedures [and applicable safeguards and fiduciary standards] to be established by the Board of the Fund [and applicable safeguards and fiduciary standards];

**Jan Dusik, Board Member for the EU**

- Requested the following addition.

(b) In fulfilling the mandate referred to in paragraph (a) above, [the following understanding will apply] :~~based on the understanding that:~~T=the Co-Chairs are guided to engage on the basis of the following understanding:]

**Gerard Howe, Board Member from the UK**

- Called for bottom up to be added back in.

**Mohammed Nasr, Board Member from Egypt**

- Asked to stick to the Governing Instrument and not include bottom up.

**Sebastian Lesch, Board Member for Germany**

- Asked to keep bottom up country led approach.

**Co-Chair Richard Sherman**

- Proposed to delete the section where this features to bypass the impasse.

(d) ~~3.~~ *Further requests / Notes that*, for the purpose of the Co-Chairs' engagement described in paragraph X and X, and without prejudice to the full operationalisation of the Barbados Implementation Modalities or the development of the long-term model of the Fund, ~~**that the modalities to be explored** will support bottom-up, country-led and country-owned approaches to loss and damage that promote and strengthen national responses to and systems for loss and damage,~~ including through the development and implementation of:

**Anna Merrifield, Board Member for Finland**

- Did not support.

**Jan Dusik, Board Member for the EU**

- Proposed making "bottom up country led approach" specific to the BIM.

(d) ~~3.~~ *Further requests / Notes that*, for the purpose of the Co-Chairs' engagement described in paragraph X and X, and without prejudice to the full operationalisation of the Barbados Implementation Modalities or the development of the long-term model of the Fund, **that the modalities to be explored** for the BIM will support bottom-up, country-led and country-owned approaches to loss and damage that promote and strengthen national responses to and systems for loss and damage, including through the development and implementation of:

This was accepted by Egypt.

Session suspended to sort out other issues.

After going to other agenda items the session was resumed.

The discussion focuses on the conditions set for the world bank and the inclusion of "particularly vulnerable" in front of developing counties. With Honduras and Saudi Arabia making clear that this must be all developing countries.

**Sebastian Lesch, Board Member for Germany**

- Asked to keep reference to the "particularly vulnerable". Said explicitly the FRLD is not for everyone its for the particularly vulnerable developing countries (i.e.

confirming that German seeks to limit eligibility to the FRLD to e.g. just SIDs and LDCs).

**Gerard Howe, Board Member from the UK**

- Asked to keep reference to the "particularly vulnerable".

**Sebastian Lesch, Board Member for Germany**

- Proposed to reference all of paragraph 20 of the governing instrument of the FRLD.

(~~ia~~) all developing ~~country~~ countries [in accordance with GI and para 20 of decisions 1/CP.28 and 5/CMA.5] [Parties that are particularly vulnerable to the adverse effects of climate change ]shall be allowed to directly access resources from the Fund, including through national and regional entities ~~(paragraph 20(e))~~, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~); and

**Elena Pereira, Board member for Honduras**

- Made it clear that we are asking the World Bank how best to do direct access that can benefit all developing countries.

**Co-Chair, Richard Sherman**

- Proposed to delete the entire paragraph if no compromise could be found. Stressed that it should not be a political conversation and that as the FRLD matures it should be given what is in the Governing Instrument e.g. all developing countries are eligible.

**Co-Chair Jean-Christophe Donnellier**

- Also called to remove the paragraph as this is already clearly understood.

**Jan Dusik, Board Member for EU**

- Agreed to deleting the paragraph.

(ia) ~~all developing country Parties that are particularly vulnerable to the adverse effects of climate change shall be allowed to directly access resources from the Fund, including through national and regional entities (paragraph 20(e)), consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of the COP/CMA decisions); and~~

**Elena Pereira, Board member for Honduras**

- Presented a proposed language developed in a huddle with German and the UK.

(ia) all developing ~~country~~ countries ~~Parties that are particularly vulnerable to the adverse effects of climate change shall beare~~ allowed to directly access resources from the Fund, including through national and regional entities ~~(paragraph 20(e))~~, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~); and

Decision as adopted:

(ia) all developing ~~country~~ countries ~~Parties that are particularly vulnerable to the adverse effects of climate change shall beare~~ allowed to directly access resources from the Fund, including through national and regional entities ~~(paragraph 20(e))~~, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards (paragraph 20(e) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~); and

(iib) Parties to the Convention and the Paris Agreement that are not member countries of the World Bank are ensured access to the Fund without requiring decisions or waivers from the World Bank Board of Directors on individual funding requests (paragraph 20(g) of decisions 1/CP.28 and 5/CMA.5~~the COP/CMA decisions~~);

## Agenda Item 5: Operationalizing the Barbados Implementation Modalities (procedural decision)

In this second session, after heated exchanges, the Board considered the decision once again with the edits requested by Board members in writing and by taking the floor. The decision simply takes note of the state of the document (which will be contained in an annex) and requests the secretariat to hold consultations on the BIM.

The Board:

*Takes note* of the state of the Barbados Implementation Modalities document, as contained in annex to this decision, and the oral and written comments made by the Board during B.6;

*Requests* the Secretariat, under the guidance of the Co-Chairs, to continue consultations on the Barbados Implementation Modalities document on the basis of the annex to this decision, the views expressed by the Board at B.6, and through open, inclusive, and transparent consultations with the Board, with a view to circulating an updated document in accordance with the Rules of Procedure for consideration and adoption at B.7.

On the document the aim is to share the annex in the coming days following all inputs from colleagues being included.

The decision was adopted.

## Agenda Item 5: Operationalizing the Barbados Implementation Modalities (comments on the proposed draft decision on the BIM)

Yesterday the Board discussed the funding criteria and project/program cycle for the BIM. Today the Board will consider a draft decision that has been circulated by the Secretariat to Board members (note that this text has not been shared publicly).

For the next 1.5 hours we will hear comments from Board members, after which Co-Chairs will take stock and suggest a way forward.

But before discussions started on the BIM, an important question on the resource mobilisation strategy was raised:

**Abdulrahman Fahad A Alrowished, Board member for Saudi Arabi**

- Asked if the status of resources and resource mobilisation strategy would be discussed today? Both were included in the annotated agenda.

**Co-Chair Jean-Christophe Donnellier**

- Indicated that the status of resources document has been updated following comments from Board members.

- Explained that there was a mistake that resource mobilisation was not included on the agenda and that a draft decision on process for the strategy has been prepared. However, the Co-Chairs will wait to see how things progress on the BIM before making a proposal on how to handle the agenda item.

Update 09:00 GMT: After comments were shared this session was suspended so that the Co-Chairs can assess how the Board can proceed.

## ***Emerging trends on the draft decision on the BIM***

Below we give an overview of the emerging trends under this discussion.

**Developing country Board members:**

- Raised serious concern about the funding criteria being a barrier to accessing support from the FRLD under the BIM called instead for a simple funding criteria (Egypt, Benin, Honduras).

- Complementarity with the private sector should not be a component during the BIM (Egypt).

- Called for the decision to include the development of a rapid disbursement cycle: "Request the Secretariat to develop a proposal for a rapid disbursement proposal under the BIM, in response to a funding request from a country and in absence of pre-approved plans." (Timor Leste).

- Called for the BIM to facilitate rapid disbursement: (Timor Leste, Honduras).

- Raised concern about not getting the full picture of the timeline for project approval. (Honduras)

- Raised concerns about having to provide disaggregated data on a Loss and Damage intervention that has not yet happened. (Honduras)

- Do not see bottom up as a criteria (Egypt, Honduras)

- Put on the record that the Secretariat's explanation makes clear that not all developing countries will be able to benefit from the BIM and that not all entities that are accredited as per the governing instrument will be able to be accredited. (Egypt).

- Called for deletion of indication of actual or potential other sources of funding. (Fiji)

- Emphasized the difficulty of proposing measuring results on responding to non-economic loss and damage due to the difficulty of quantifying intangible losses and damages. (sudan)

**Developed country Board members:**

- Think that progress can be made today at B6 (EU, Germany).

- Want reference to the full scope of financial instruments available, "countries can choose to use them". (Germany)

- Want a distinction between core criteria and value added criteria (Italy).

**Civil society:**

- [to follow]

## ***Select Comments from the Board on the draft decision on the BIM***

On the draft decision for the BIM comments included:

**Jan Dusik, Board Member for EU**

- Said the decision was important in the context of turning the EU pledge into a contribution (note that according to the latest status of resources document for the FRLD, the EU has only drafted its contribution agreement despite having made its pledge at COP 38 in 2023.).

**Mohammed Nasr, Board Member from Egypt**

- Stressed that the current proposal for the funding criteria would require complicated proposals with a lot of supporting paperwork from developing countries who are dealing with a loss and damage disaster. Explaining how this would burden them in a time of crisis and create barriers to accessing the FRLD. For example the proposed requirement to "utilise, where appropriate and available, existing national and regional systems and financial mechanisms".

- The current proposal for criteria won't allow many countries to come forward with proposals.

**Co-Chair Jean-Christophe Donnellier**

- Indicated that the Board member should only include what absolutely has to be a criteria to keep it simple for the BIM.

- Reminded the Board that if they don't agree on this today it will be very difficult to agree on the whole package for the BIM and therefore the call for proposals at B7. If the Board does not agree today on the funding criteria, the direct access via direct budget support, project cycle, Barbados Implementation delivery team then it will be very difficult at B7.

**Sebastian Lesch, Board Member for Germany**

- Wants to keep bottom-up under country led approach. It is important to have certain standards on this.
- Learning is important.
- Preferred to have an internal team of experts working on the BIM under the Secretairat.
- Building back better is important.
- Want reference to the full scope of financial instruments available, countries can choose to use them.

**Adao Soares Barbosa, Board member from Timor Leste, LDCs**

- Need text on direct budget support.
- No elements on rapid disbursement, called to have this issue in the decision text. "Request the Secretariat to develop a proposal for a rapid disbursement proposal under the BIM, in response to a funding request from a country and in absence of pre-approved plans."

**Ibila Djibril, Board member for Benin / LDCs**

- Called for the start up phase to be simple to ensure that the FRLD does not create a Green Climate Fund like situation that makes access to support very difficult.

**Elena Pereira, Board member for Honduras**

- Raised concern about not getting the full picture of the timeline for project approval.
- Called for the BIM to support rapid disbursement when pre-arranged support could not be put in space.
- Expressed concern about the criteria being prescriptive.
- Raised concerns about having to provide disaggregated data on a Loss and Damage intervention that has not yet happened.

**Co-Chair Jean-Christophe Donnellier**

- Stressed that the criteria are not prescriptive.

**Executive Director of the FRLD**

- The country will put on paper what they want to do and the Secretariat will go back and forth to understand what they want to do.
- Call for proposals has to be as detailed as possible.
- The template for the call for proposals will be as descriptive as possible.
- Technical review methodology of the criteria will allow all Secretariats staff to evaluate all proposals in an unbiased manner.
- If the criteria are recognised as too cumbersome under the BIM, simple noble criteria can be used when developing long term policies of the FRLD.
- There will be a lot of backwards and forth will countries, we need to understand as much as we can.

**Secretariat of the FRLD**

- Framework agreements, clarification from the trustee: Time to set up agreements, the BIM is ending next year so there is a lot of time to sign a lot of agreements. Trustee advised that it would be quite quick to set up agreements with entities accredited under the GCF, GEF, etc.

- Timing that it takes to sign agreements is a key factor in receiving disbursement.

**Co-Chair Jean-Christophe Donnellier**

- Confirms that a draft text on direct budget support is being worked on in support. Thinks that there will be an agreement on this.

**Antonella Baldino, Board Member for Italy**

- List is a useful basis for the Secretariat to develop further clarity. Expects this to be translated into a clear operational framework.
- Wants distinction between core criteria and value added criteria.

**Gerard Howe, Board Member from the UK**

- Feel urgency to get it done here.
- See agreement on four core categories.
- Asked if we can say yes to four core criteria, then allow the Secretariat to take two core criteria and then four additional criteria.
- Agree with Mo and Elena on using the whole of paragraph 60 from the governing instrument.

**Anna Merrifield, Board Member for Finland**

- Concerned about not reaching agreement.
- Suggests that the secretariat could go away and work on core criteria.
- Convened that sustainable development goals and poverty eradication criteria have been lost. Hoped that these could be looked at later on.
- Asked for gender responsiveness to be added back in alongside environmental and social and developmental co-benefits.

**Secretariat of the FRLD**

- Access to the FRLD is based on entities proving functional equivalence to ESS
- The Secretariat checks safeguards.
- The trustee does not carry out a further assessment.

**Mohammed Nasr, Board Member from Egypt**

- Makes clear that based on the Secretariat's explanation that not all developing countries will be able to benefit and that not all entities that are accredited as per the governing instrument will be able to be accredited [due to World bank constraints].

**Secretariat of the FRLD**

- If a proposal is not country-led, we can't support it.
- If there is no impact, we can't support it.
- Those are two fundamental criteria.
- Suggestion is to have core criteria and supplemental criteria.

**Ibila Djibril,  Board member for Benin / LDCs**

- Makes clear that loss and damage is an urgent issue and that least developed countries with limited capacity. Called for the criteria to be simple to ensure access.
- Explains that his core concern is meeting the needs of his population.

**Adao Soares Barbosa, Board member from Timor Leste, LDCs**

- Stressed that the uniqueness of the FRLD is rapid disbursement and direct budget support and that this is not being discussed.

**Dan Lund, Board Member for Fiji**

- Called for deletion of indication of actual or potential other sources of funding. Should not be a requirement.

**Sumaya Zakieldeen Hamdan, Board member for Sudan**

- Emphasized the difficulty of proposing measuring results on responding to non-economic loss and damage due to the difficulty of quantifying intangible losses and damages.

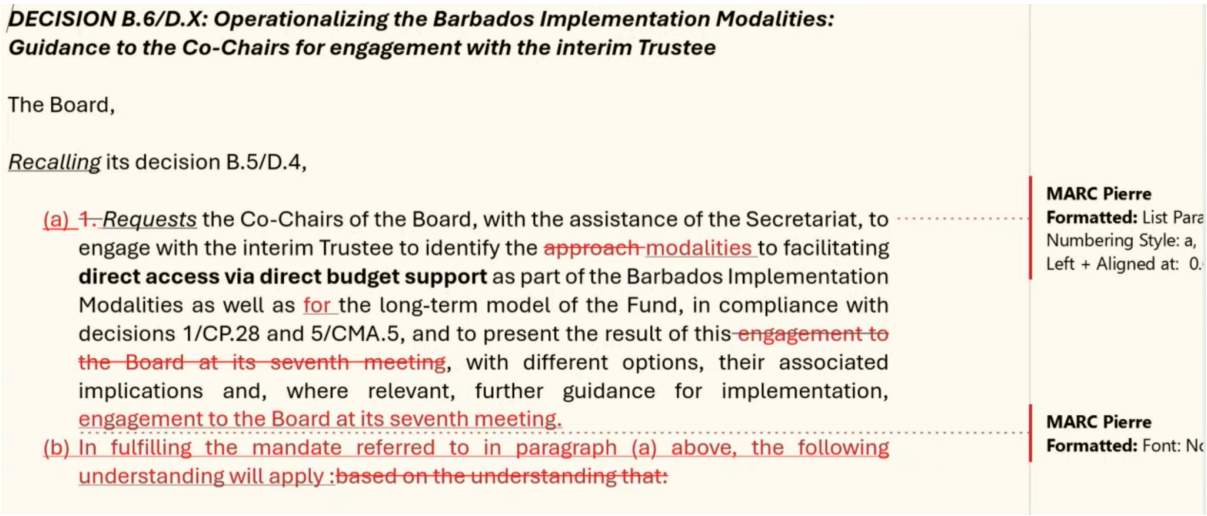
**Tetet for WGC (coordinated intervention)**

- Concerned about limiting eligibility.
- Troubling to see that grants are still a modality that needs to be defined. No country or community needs to be put in a position to justify support to address a problem that they did not cause.
- Communities have waited long enough for support.
- The Board should not be worrying about receiving too many proposals but raising more funds.

After these comments the session was suspended so that the Co-Chairs can assess how the Board can proceed.

# Agenda Item 5: Operationalizing the Barbados Implementation Modalities: Guidance to the Co-Chairs for engagement with the interim Trustee (Part I)

Out of yesterday's discussions emerged the need for the Co-Chairs to speak to / negotiate with the World Bank as the trustee of the FRLD to ensure that World Bank can deliver direct access via direct budget support.



***DECISION B.6/D.X: Operationalizing the Barbados Implementation Modalities: Guidance to the Co-Chairs for engagement with the interim Trustee***

The Board,

*Recalling* its decision B.5/D.4,

(a) ~~1.~~ *Requests* the Co-Chairs of the Board, with the assistance of the Secretariat, to engage with the interim Trustee to identify the ~~approach~~ modalities to facilitating **direct access via direct budget support** as part of the Barbados Implementation Modalities as well as for the long-term model of the Fund, in compliance with decisions 1/CP.28 and 5/CMA.5, and to present the result of this ~~engagement to the Board at its seventh meeting~~, with different options, their associated implications and, where relevant, further guidance for implementation, engagement to the Board at its seventh meeting.

(b) In fulfilling the mandate referred to in paragraph (a) above, the following understanding will apply :~~based on the understanding that:~~

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Co-Chair Rirchard Sherman tried to bring this decision to the Board but was informed that a decision would not be possible. He remarked that doing so "is blocking direct access for developing countries" to the FRLD.

The Board then went into a closed session.

# Agenda Item 4: Report of the Secretariat

Under this agenda item the Board will be invited to take note of the information provided by the Secretariat on their activities and of the report on the execution of the 2025 administrative budget as at 30 April 2025.

## Agenda Item 14: Other Matters

This agenda item was not opened.

# DAY 2

The webcast for day two is here and the provisional schedule is here.

Agenda items that will be discussed today include (all times are in local time GMT+8):

- 08:00 – 09:00 Constituency Meetings
- 09:30 – 10:30 Informal Board consultations: Operationalizing the Barbados Implementation Modalities
- 10:30 – 10:45 Coffee break
- 10:45 – 11:30 Cont. Informal Board consultations: Operationalizing the Barbados Implementation Modalities
- 11:30 – 13:00 Report of the Board to 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
- 13:00 – 14:00 Lunch break
- 14:00 – 15:00 Informal Board consultations: Operationalizing the Barbados Implementation Modalities
- 15:00 – 15:15 Coffee break
- 15:15 – 16:30 Operationalizing the Barbados Implementation Modalities
- 16:30 – 17:00 Matters related to active observers and other stakeholders

At the time of writing it is unclear if the informal Board consultations will be webcast / and or open to observers. However, we very much hope that they are.

# Agenda Item 5: Operationalizing the Barbados Implementation Modalities

## ***Background from day 1***

Under this agenda item we will see a mixture of informal Board consultations and formal sessions during which the Board will consider how to operationalise the start up phase of the FRLD having taken a decision to establish the Barbados Implementation Modalities (BIM) at B5 in Bridgetown, Barbados. The objective of doing so is to launch the call for proposals at B7 in October, with the aim of the Board approving the first interventions by the Fund at B8 in spring 2025.

It is important to note that the Co-Chairs of the Board / the Board have been unable to agree to consider the documents prepared by the Secretariat of the FRLD based upon the mandate given to them at B5. As highlighted by Co-Chair Richard Sherman during the dialogue with civil society on day one "the documents have no legal status, they are not being considered by the Board at the moment. They have not been released formally, only shared with the constituencies of the Board." This is due to a number of issues that were highlighted by civil society during yesterday's dialogue, including a proposal for direct access that would not exclude a large number of developing countries.

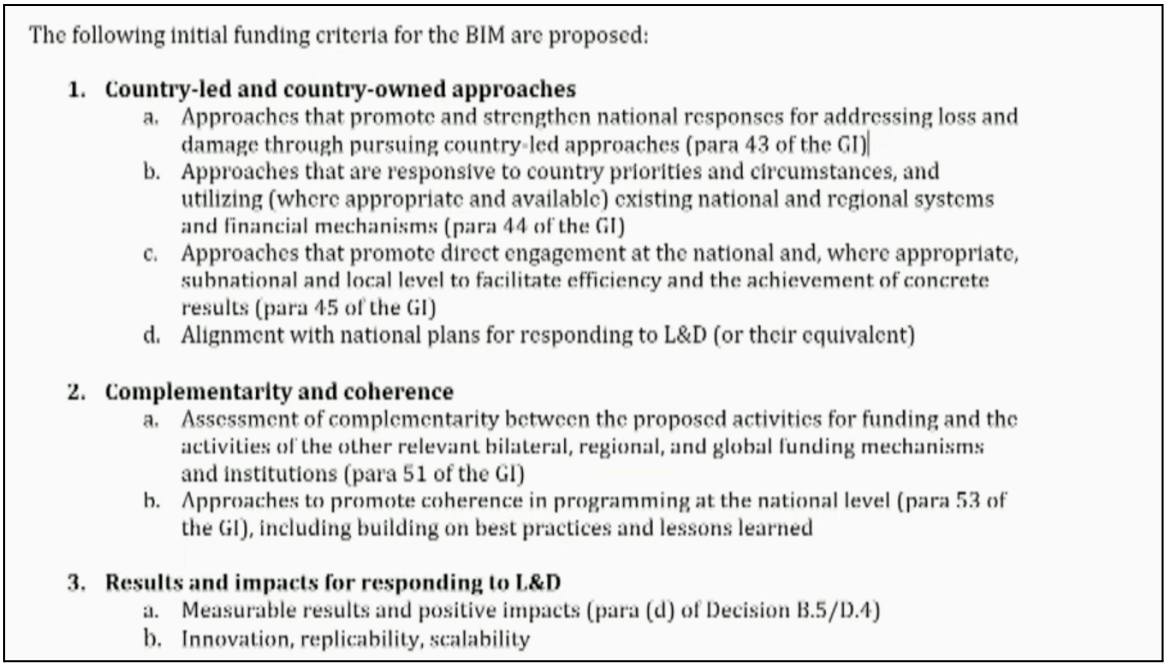
## ***Session 1 funding criteria of the BIM***

Following an informal Board consultation that was not webcast the Board entered a formal session following no objections from Board members to focus on the initial funding criteria of the BIM.

Richard Sherman, developing country Co-Chair of the Board, introduced the five funding criteria proposed to the Board members in the framing paper for the operationalisation of the BIM ( a document that has not been shared publicly). The criteria are as follows:

1. Country-led and country-owned approaches
2. Complementarity and coherence
3. Results and impacts for responding to loss and damage
4. Sustainable development and the eradication of poverty
5. Financial effectiveness and leverage

Each of these criteria are headings, which have sub bullets that give further granularity to understanding the criteria. The sub bullets can be seen in the screenshots below.



The following initial funding criteria for the BIM are proposed:

1. **Country-led and country-owned approaches**
   a. Approaches that promote and strengthen national responses for addressing loss and damage through pursuing country-led approaches (para 43 of the GI)
   b. Approaches that are responsive to country priorities and circumstances, and utilizing (where appropriate and available) existing national and regional systems and financial mechanisms (para 44 of the GI)
   c. Approaches that promote direct engagement at the national and, where appropriate, subnational and local level to facilitate efficiency and the achievement of concrete results (para 45 of the GI)
   d. Alignment with national plans for responding to L&D (or their equivalent)

2. **Complementarity and coherence**
   a. Assessment of complementarity between the proposed activities for funding and the activities of the other relevant bilateral, regional, and global funding mechanisms and institutions (para 51 of the GI)
   b. Approaches to promote coherence in programming at the national level (para 53 of the GI), including building on best practices and lessons learned

3. **Results and impacts for responding to L&D**
   a. Measurable results and positive impacts (para (d) of Decision B.5/D.4)
   b. Innovation, replicability, scalability

4. **Sustainable development and the eradication of poverty**
   a. Contribution to the achievement of the goals on sustainable development and the eradication of poverty (para 3 of the GI)
   b. Contribution to disaster risk reduction, climate action, and humanitarian response
   c. Contribution to environmental, social and gender elements
   d. Approaches that ensure inclusivity and transparency in accordance with decisions 1/CP.28 and 5/CMA.5, annex II, paragraph 18.

5. **Financial effectiveness and leverage**
   a. Financial soundness of the proposed instrument(s)
   b. Approaches for engaging other sources of funding (including private sector), where relevant, in contributing to responding to loss and damage in alignment with bottom-up, country-led and country-owned approaches (para (g) of Decision B.5/D.3), including through co-financing.

Before opening the floor to comments, Co-Chair Richard Sherman highlighted that 15 comments had been received from Board members in the submissions process and the document is a summary of the consultations process and that the intention of the session was to give an opportunity to Board members who have made submissions to speak to their points and to hear from Board members who have not made submissions or who want to add comments. There was no pre-judgement for the deliberations, however the intention

was to adopt the criteria at B6, to put in place a structure for the Secretariat to develop the call for proposals.

## ***Emerging trends on proposed Funding Criteria***

Below we give an overview of the emerging trends under this discussion.

**Developing country Board members:**

- Many strongly opposed the inclusion of criteria 5 on financial effectiveness and leverage (Fiji) and/or this being a requirement (Egypt, Timor Leste, Zambia, Saudi Arabia, Antigua and Barbuda ).

- Many raised concerns about the requirement to demonstrate innovation, replicability, and scalability, indicating that this was not an appropriate criteria for responding to Loss and Damage due to its context specific nature (Egypt, Honduras, Philippines, Antigua and Barbuda, Saudi Arabia).

- Some raised concerns about contributions to environmental, social and gender elements becoming a barrier to accessing the FRLD (Egypt, Benin/LDCs, Saudi Arabia) .

- Some stressed the importance of allowing countries to determine how they engage civil society and communities (Egypt).

- Some stressed the importance of complementarity and coherence with other funding not being used to limit access to the FRLD. (Sudan)

**Developed country Board members:**

- Some emphasised the need to ensure that the 50% minimum allocation to SIDS and LDCs was achieved under the BIM and the need for additional prioritisation for this to happen (note that developed countries have called for prioritisation of SIDS and LDCs since the transitional committee process to operationalising the FRLD often with the intent of limiting which developing countries can access support from the Fund i.e. they don't want countries like Pakistan, China, and India to receive support). (Finland, Australia, Canada, Norway).

- Many called for a cap of a maximum of one proposal from each developing country to be submitted during the BIM (UK, Norway, Canada).

- Some stressed the importance of inclusion, responsiveness, and gender equality, and locally-led loss and damage responses (Finland, EU, Australia, Canada).

- Some called for there to be core criteria and additional criteria (Canada, ).

- Some justified the need to demonstrate how the proposal is complementary to other funding e.g. humanitarian funding. (Australia)

- Some provided justifications for the inclusion of innovation, replicability and leveraging (Australia, Japan, Portugal).

- The EU explicitly called for an indication of the proportion of the funding to go to communities and partially vulnerable communities. And that having direct access for the most vulnerable groups would be a good prioritisation criteria.

- The EU did not support replicability as a criteria.

- The EU did not support funding humanitarian responses.

- Some called for the criteria to include demonstrating why grant based finance is needed from the FRLD (Australia).

**Civil society:**

- Highlighted that civil society was assured that the paper being considered had no legal statues and that they had not seen the proposed sub criteria. Asked for clarity on the process and if the co-chairs will seek the adoption of a decision on the funding criteria if this remains a paper with no status. Stressed the transparency implications.

- Strongly objected to the proposal for criteria 5 on financial effectiveness and leverage.

- Called for the appropriateness of grants not to be a criteria / questioned as they are the only appropriate instrument for loss and damage.

- Called for any country-ownership criteria to include asking for an indication of ambition and intent in sub-national and local level funding.

- Rejected coherence being used to defer funding to other entities.

- Supported Board members who raised concerns on the use of innovation, replicability and scalability as core criteria.

- Challenged the market based logic applied to "impact".

- On environmental, social and gender elements, reiterated that funding actions under the FRLD and its BIM must be people-centered, protecting and advancing human rights, including gender equality and the rights of Indigenous Peoples. But stressed that these principles must not be used as conditionalities or barriers that make the Fund inaccessible.

## ***Detailed Comments from the Board on the proposed Funding Criteria***

**Gerald Howe, Board Member from the UK**

- Called for the Board not to try to define everything in the criteria to ensure that proposals remain country lead and context specific. A call for proposals needs to be provided that give clear guidance to countries.

- Said that the FRLD should not receive 4 or 5 times more proposals that can be funded under the BIM.

- Criteria must be country led and country own.

- There should be no more than one proposal per country.

- Need specificity on Loss and Damage, its not adaptation, its Loss and Damage.

- It's important for the UK to draw attention to the importance of inclusion and gender equality, locally-led loss and damage. Language in the calls for proposals should allow that.

- Proposals need to be deliverable, financially effective and deliverable in the time frame in the time set.

- Not helpful to debate at B6 on the scoring system for the BIM here, the Secretariat can work on the further.

- The discussion could lead the Board to construct most of the elements for the call for proposals.

**Antonella Baldino, Board Member for Italy**

- Need a pragmatic approach to the BIM. For the country making the proposal and the Secretariat.

- Prioritisation and simplification would be beneficial for this phase.

- The terms of reference for the call for the proposal should include a clear but simplified evaluation parameters and a scoring system with relative weight assigned to each criteria allowing for a ranking of proposals, particularly for the likely scenario for a high level of demand.

- Would also recommend a distinction between the core criteria and value added criteria, that should not be a barrier to access.

- The appropriateness of the criteria should be actively monitored during the BIM and used to inform the long term policies of the FRLD.

**Co-Chair, Richard Sherman**

- Highlighting that developing countries don't like scoring or ranking systems as language. Asked the secretariat to confirm what the sequence would be if criteria adopted here and if the way that projects would be evaluated or accessed would come at B7 in the operational manual.

**Executive Director of the FRLD**

- The ranking or scoring system will be guided by the criteria the Board has decided. The criteria is the decision of the Board. The criteria would need to be part of the design of the operational manual.

**Sebastian Lesch, Board Member for Germany**

- Also saw that it is possible to agree on the call for proposals at B6.
- Should not micromanage, this is secretariat work.
- Needs to be country-led approach,
- Need a balance between country ownership and being a little prescriptive in terms of what the FRLD can do.
- It needs to be bottom up, inclusive of civil society, not just a rubber stamp, but inclusive of local authorities.
- Ensuring that it is Loss and Damage, not doing humanitaria, adaptation or just reconstruction, be complementary.
- Innovation part, can not invent something entirely new in the BIM phase but be clear in the proposals why it should be funded by the FRLD and what can be learnt from this project.
- Making sure that whatever is funded under the BIM provides learning for the long term policies of the FRLD.

**Anna Merrifield, Board Member for Finland**

- Everything in the criteria is inline with the GI and past Board decisions.
- Need to have clarity on what prioritisation of proposals will involve to ensure transparency and clear understanding of why proposals are being prioritised.
- No micro-managing of further criteria that the Secretariat might develop.
- On 4 (C), contribution to environmental, social and gender elements. Should not just be a contribution but a core element of proposals. There should be a do no harm element and ensure gender equality.
- Must reach the 50% mimum allocation floor for SIDs and LDCS under the BIM. Need to look at additional prioritisation to reach this floor.
- Want to give weight to prioritisation of: Innovation, scalability. Willing to take risk when it comes to innovation, less willing to take risks when it comes to accountability and governance.

- Could agree to prioritise projects that ensure the participation of women and disadvantaged groups such as persons with disabilities in project design and implementation.

- Also good to prioritise projects that focus on community and sub national level and those that focus on the participation of Indigenous Peoples. There were good comments from civil society in the dialogue, it would be good to get inputs.

- Good to prioritise projects that use existing national systems. To enhance cross society and cross government cooperation to ensure complementarity.

- On financial effectiveness and leverage, this should underline the explanation of value added. Making sure why using FRLD and a rationale for why grant based funding is needed.

**Jan Dusik, Board Member for the EU**

- Criteria needs to be simple and focused.
- Projects need to be country owned and to reflect local context and be specific to Loss and Damage.
- Agree on a scoring system for the different criteria.
- Community and local level and partially vulnerable communities are very important, and indicating the proportion of the funding that can aim in this direction would be helpful. Including especially disadvantaged groups.
- Having direct access for the most vulnerable groups would be a good prioritisation criteria, have examples from the Santiago Network that could put together some technical assistance that could help with these proposals.
- Fragile and conflict affected countries and communities is another emphasis we want to see in terms of higher scoring priority. Could also stand out when talking about innovation and uniqueness of the FRLD.
- We don't think replicability should be a criteria, due to the context specific nature of Loss and Damage. Nice to have but not a criteria.
- We should fund loss and damage measures but not humanitarian response.
- Focus on activity types rather than event types.
- Should look at how we can build back better.
- Underline emphasis on gender responsiveness.

**Mohamed Nasr, Board Member for Egypt**

- It has to be simple and effective.

- Direct engagement at the national level should be left to each country to decide. Each country has their way to deal with local communities. Will be clarified in the proposals. Should not have percentages of what goes towards local communities as goes beyond the mandate so should not be indicators.
- Concern with innovation, replicability and scalability. When we deal with Loss and Damage we can not replicate what is in the GCF, which speaks about replicability and scalability. Don't support replicability and scalability.
- On sustainable development, fine. But concerning when the EU and others say disadvantaged groups as not in the Governing Instrument for the FRLD. It speaks about communities in climate vulnerable citations.
- Issues of environmental, social and gender elements, don't know how to operationalise that. That is replicating other funds not specific to FRLD. This is not specific enough and would become another challenge to accessing the FRLD.
- Very strong concern on financial effectiveness and leveraging. This is not a fund to leverage or consider financial soundness. Need clarification on what financial soundness means. Leveraging should not be part of any criteria for Loss and Damage funding.
- When we say approaches, what does it mean? Policies, procedures? Please clarify what this means?

**Co-Chair Richard Sherman**

- Confirmed that this criteria was not taken from a non published paper, but that it was sent to the Board three weeks ago as part of the framing paper on the operationalisation of the BIM (this has not been shared online/ with civil society). That is why it is being used.

**Executive Director of the FRLD**

Responding to questions posed by Egypt:

- The thinking behind leveraging is that when countries approach the FRLD with a project that may not just be funded by the FRLD but also sources, so that it reflects if the government making the proposal has explored other sources of funding.
- Some criteria will be fundamental others will be additional.
- On financial soundness, when the Board gets the reporting of the funding, they should hear that the country has a plan in place to address the Loss and Damage problem in a financially suitable way.
- There are three ways the Secretariat can help the Board make decisions:
    - Elevate funding request against the criteria and give a technical review;

- The board can decide not to be over subscribed by giving a ranking / scoring minimum before looking at a proposal.

**Mohamed Nasr, Board Member for Egypt**

- Do not agree with financial effectiveness.
- Contribution to environmental and social elements is very generic. To not be a barrier to access, you need to understand the specifics.
- Are we to identify the core elements that must be included in each proposal and then the additional elements that can be included? Are the 5 elements the core elements?

**Co-Chair Richard Sherman**

- Aiming to clarify the types of criteria that we want to approve as a Board. Should not be any secondary criteria. Could expand descriptions in the operations manual.
- It is being noted where Board members have problems with criteria. Then will work with Secretiat to present the criteria in a way that is less conditional and share again with Board members.

**Executive Director of the FRLD**

Responding to questions of core vs additional criteria:

- Would consider 1-3 as core criteria and 4-5 as additional/ supplementary to differentiate the requests that you are getting.
- This will help the Secretariat to eventually create the operational manual but also to see how to evaluate requests.
- If the Board wants to see what proposals are not being forwarded to the Board and why that is possible. That way the Board can challenge the Secretariat and can make the case for proposals not forwarding that.

**Co-Chair Richard Sherman**

- Suggested not doing that as means Board will be under pressure to move projects that fall out of e.g. 15.

**Mohamed Nasr, Board Member for Egypt**

- Confirm can not support 4 (c) and 5.

**Antoine Bergerot, Board Member for France**

- Need manageable criteria
- Need to be broad enough to allow countries to justify their proposals
- Would not differentiate between core and additional criteria.
- Suggest alternatives: One criteria should be linkage to FRLD mandate (the country to explain how the proposal links to the mandate), need a criteria for country ownership, need a criteria for readiness and delivery capacity (to assess potential for delivery and timeliness of delivery), potential for access for local access by vulnerable communities, agree with Egypt comment on financial effectiveness and leverage, just need to understand why a grant is needed (justification for grant based finance). Would caution against replication and scalability.
- Need to understand how criteria will be used. This is needed to inform the board on the merits of the different scoring systems.
- Need to allow countries to respond to the review.

**Co-Chair Richard Sherman**

- Called for Board members not to redraft the proposed criteria but to capture the proposals under the existing headings.

**Dan Lund, Board Member for Fiji**

- On country lead approaches have reference under the GI to country lead activities.
- Suggestion to look at paragraph 47 of the governing instrument and use that. It says the FRLD may provide support for activities that are relevant to preparing and strengthening national processes and support systems. Need to be clear that it is about strengthening and developing that support, at the moment the indicators are about approaches, which could be a challenge.
- On complementarity and coherence, its paragraph 53 that is most relevant as talking about programming.
- Results and impacts in responding to Loss and Damage, we are looking at difficult citations that take time to evaluate, it could be subjective to assess innovation. Replicability cannot always be done in context specific situations.
- Need to look at how activities link to country ownership and how they contribute to strengthening national systems.
- On sustainable development and eradication of poverty, need to differentiate between a Loss and Damage intervention and how this equates to a sustainable development gain. As countries are trying to get to the point where they can develop sustainably. The FRLD helps to enable sustainable development, but does

not mean interventions will result in sustainable development so should not be an indicator.
- On financial effectiveness and leveraging. Financial soundness of the proposed request makes sense, need to clarify that it is the proposal being assessed not the instrument. Agree with Egypt, would not want to see leveraging as a requirement. But it is important to allow for multiple sources of funding. Could understand leveraging as part of financial soundness.

**Kirsty McNichol, Board member from Australia**

- The country led, country owned and bottom up approach is vital for the Fund.
- Specifying the loss and damage that's being addressed and how this translates into results and impact will be very important, particularly in this BIM startup phase.
- We like the idea around demonstrating why the proposal requires a grant from the FRLD rather than funding from elsewhere and also demonstrationing why grant funding is required rather than any other form of finance.
- On 5 (b), would not want to exclude leverage idea, in some cases it wont be appropriate. Demonstrating will be useful, especially when it comes to results management. E.g. tracking other sources of funding that had been secured.
- On Criteria: Demonstrating how it is that the proposal is deliverable, financially effective and financially implementable is important.
- Need to demonstrate how the proposal is complementary to other funding e.g. humanitarian funding.
- A demonstration of being gender responsive, incorporating Indigenous Peoples and disability is important. “We could have something around contribution to the environment and social benefits, including promoting gender responsiveness, just as a starting point for some language”
- The capacity of the Secretariat to deliver the BIM, very important. Support the proposal of the UK of one proposal per country being put forward during the BIM.
- Highlight the 50% minimum allocation for SIDs and LDCs and how that should be monitored even if not part of criteria.

**Adao Soares Barbosa, Board member from Timor Leste, LDCs**

- Innovation, innovation and scalability agree with Egypt as not aligned with country ownership.
- Don't support criteria 5.
- On criteria 2, it is hard to understand.
- Suggested proposals for simplifying the criteria: Does the project request address the needs of the country in responding to addressing loss and damage (linked to the

objectives of the FRLD), is the project country lead, country own?, does the project help to enhance national response to Loss and Damage? (responding not capacity building as out of the scope for FRLD and under Santiago Network), the potential for impacts should be more focused on the action proposed in the funding request e.g. addressing economic or non economic loss and damage.

**Hiroki Matsui, Board member for Japan**

- Empowerment of communities is critical. Should assist people in preparing for the next disaster / human security.
- On financial effectiveness and leverage. Lacking component of accountability.
- On levelraging, this is important, it is not necessary to have engagement of the private sector, but it is important.
- On the screening process, the Board has to agree on the methodology that the Secretariat will use to prioritise. This process should be proposed to the Board before a mandate is given.

**Co-Chair Richard Sherman**

- Strongly discouraged the Board from needing to approve the assessment criteria that the Secretariat will use for projects. Need to approve the criteria and task the Secretariat to do that. In the other funds where we have tried to do this it has never worked. E.g. The pilot ranking proposal proposed by the UK under the GCF never took off.

- Need to trust the Secretariat and make the criteria robust enough to make sure nothing is left out. So that they would come back with the good projects, then we can decide what to do with the ones that don't get funded e.g. if they get technical support from the Santiago Network? We should not discard proposals that are almost successful and put them on a conveyor belt to being funded.

**David Kaluba, Board member from Zambia**

- Question how the criteria will help a country with a loss and damage event apply for funding in the middle of the disaster and the challenge of proving innovation when dealing with a disaster.
- Asked if all elements of the criteria will apply in a loss and damage situation.
- Financial soundness can be a difficult criteria.
- Innovation is also challenging to demonstrate.

- We are using business as usual criteria for a citation that is not usual.
- Need to identify how each criteria is applicable in the loss and damage situations that countries will be facing.

**Co-Chair Richard Sherman**

- Advise to get pre-arranged finance (not insurance).
- Probably be sufficient for most if not all loss and damage events.
- Need to be clarified in the operations manual.

**Elena Pereira, Board member for Honduras**

- Paragraph 47 of the Governing instrument has to be part of elements that can be supported.
- We have 1 (d) as being part of the criteria. We can't see that as a criteria, its one of the activities that should be funded.
- On complementarity and coherence, even if other mechanisms are out there, it does not mean that all countries can access those mechanisms. Need to be careful not to assume that they can.
- On results and impacts on responding to loss and damage. Echo points on scalability and replicability. Not an appropriate criteria for Loss and Damage.
- Sustainable development and eradication of poverty. Could be part of complimentary, e.g. we have the SDGs. On 4 (b), disaster risk reduction is adaptation not Loss and Damage, climate actions includes mitigation and adaptation, and humanitarian response is part of complementarity. Lots of duplication there and/or not relevant to loss and damage.
- On 5 financial effectiveness and leverage, not an appropriate criteria for the FRLD and especially not for the BIM where only grants will be provided. It's up to the country to decide if they use other financial mechanisms.

**Ibila Djibril, Board member for Benin / LDCs**

- On 3(b), it will be difficult to apply based on the nature of loss and damage. Innovation, scalability and replicability will be very difficult to apply.
- On 4 (c), contributions to environmental, social and gender elements very show this.
- Criteria 5 should be removed or only be supplementary. It will be very difficult to comply with this criteria for LDCs. In an urgent situation we don't want to have to show what other funding could be leveraged.
- It is important to have guidance on complying with each criteria within an operations manual for the FRLD.

- Criteria 1 on country ownership and country owned approaches. This criteria is key.

**Co-Chair Richard Sherman**

- Confirms that criteria 1. (d) on alignment with national plans, does not require countries to have a plan in place just to refer to what has already been planned e.g. in a local development plan, nationally determined contribution etc. I.e. please explain how the proposed actively relates to existing plans.
- Countries could be requested to have national Loss and Damage plans but it's not clear if the Board could do this or where the money would come from. But it should not be a hard criteria for accessing the FRLD.

**Mark Dennis Joven, Board member from the Philippines**

- Call for clarity on what will happen to proposals that are not successful to ensure that no one is left behind. Highlighting how the Board needs to know this to understand what is at stake when making a decision on the criteria.
- Scalability, financial soundness and impact to loss and damage are inappropriate criteria. If we are planning rapid responses these are not appropriate.
- Asked if proposals for repaid response would have different criteria to proposals that address e.g. slow onset events like sea level rise.

**Co-Chair Richard Sherman**

- Stressed the point that the aim is to make a robust criteria that would cover both rapid and slower response.

**Inmaculada Paniagua, alternate Board member for Portugal (Spain)**

- Agree there is a core criteria and one for additional to take into account for additional value.
- On 3 (d), innovation is an added value but should not be a requirement.
- On 5 (b), leverage can be an added value but not a core issue.
- On contribution to the environment, social and gender elements, most projects have positive impacts. Don't know if it is a criteria or not.

**Ruleta Camacho Thomas, Board member for Antigua and Barbuda**

- Need to allow for countries to describe what loss and damage is in our context. Loss and damage can be very different in our countries even between communities.
- Don't support replicability not appropriate for Loss and Damage.
- Criteria should not be confining, as it will limit impacts.
- When we have a disaster it takes our GDP to zero, then it takes 5 years to recover and there are disasters in that time and it may seem like it does not make sense in investing in e.g. rebuilding a breach that might be washed away again. This makes category 5 limiting (on leverage and financial effectiveness).

**Abdulrahman Fahad A Alrowished, Board member for Saudi Arabi**

- Don't support innovation as criteria.
- Don't support contribution to sustainable development goals as a criteria.
- Can't indulge in the long list of criteria that will fall under 4 (c) on contribution to environment, social and gender elements.
- Don't support financial soundness.

**Laurence Ahoussou, Board member from Canada**

- Don't see all criteria fitting in the same baskets.
- Need to make sure proposals are country lead and bottom up.
- Encouraging dimensions of community access is important.
- Need to ensure projects are really about Loss and Damage.
- Projects should ensure inclusion, ensuring projects not only do no harm but reinforce gender equality and help enhance the role of Indigenous Peoples and marginalised people or communities to take action at the local level.
- Support one proposal per country in the BIM.
- Making sure countries explain why grants are needed.
- On Innovation, replicability and scalability. Hearing concerns of others, could be reworked to reflect that this would be more about learning and informing future loss and damage responses and the development of the polices for the FRLD.
- Under criteria 5, leveraging is about complementarity with other projects and other funding being leveraged for Canada.
- Criteria is not about passing and failing but about thinking when designing interventions.

**Sumaya Zakieldeen Hamdan, Board member for Sudan**

- Asked if it will be about meeting all the criteria. And shared concerns about who will determine if enough criteria have been met or not.
- Clarity and simplicity of proposals is also important.

- Criteria 2 on complementarity and coherence is unfair as the FRLD should do the work on complementarity and coherence and is related to the work of the high level dialogue. Should not be a requirement.
- Alignment with other plans should be extended beyond national plans.
- Stressed that simply addressing loss and damage at this time is an innovation and shared concerns about this being a criteria.
- Highlights the challenge of applying a criteria on miserable results to non economic loss and damage that is hard to quantify.

**Georg Børsting, Board member from Norway**

- Need to see proposals for the BIM in projects or programs that cannot easily be funded by other institutions.
- Generally fine with funding criteria proposed by Secretariat with adjustments based on comments given this morning, but let's not forget we are talking about initial criteria for the BIM, we have to start somewhere while we continue working on a long-term operational model.
- On 5 (b), we've decided 5 to 20 million USD as the size of BIM funded activities, but there may be proposals not fully financeable with that amount, in these cases we will need information about other sources of funding so that we actually know that the proposed project or program is realistically implementable.
- Agreed to set aside 250 million USD for BIM pilot phase, we'd like to see a variety of different types of activities, projects and programs, geographical spread, minimum allocation for LDCs and SIDS.
- Support suggestion to set a maximum of 1 proposal per country.

**Elena Cristina Pereira Colindres, Board member from Honduras**

- On 1d: Alignment with national plans for responding to loss and damage; that's assuming countries have included that in their NDCs and their NAPs and they're not designed for loss and damage response plans.
- There is an element in paragraph 47 where the fund can fund eligible activities for planning processes for loss and damage at a national level – that's why that 1d is troublesome because not all countries have plans for responding to loss and damage.
- On criteria: My fear now is that this criteria we are focusing on will support a project and programmatic approach aimed at pre-arranged finance. However, this may not necessarily address the proposals and requests that arise from countries seeking rapid responses, particularly those that do not have or do not wish to go through the pre-arranged finance process.
- Stress that all elements in para 60 of the governing intranet must be taken into

account when we're allocating the resources for projects.

**Co-Chair, Richard Sherman**

- Responding to Elena: I wouldn't agree with you, these criteria would apply equally whether it's rapid or slow.

**Liliam Beatris Chagas de Moura, Board member from Brazil**

- We have to remind ourselves that this is the initial phase for the BIM and refrain ourselves from trying to put here some early harvest criteria for future phases of the fund – this will be applied in conjunction with the eligible activities.
- We have decided for this initial phase that 50% of the resource will go to applications from SIDS and LDCs – let's support the very simple suggestions that the LDCs made regarding the funding criteria.
- LDCs are asking for a more simple list of criteria basically for responsiveness to country needs, country ownership, potential for impact, enhancement of national capacities to respond to loss and damage; they pretty much fall under the three first items in the funding criteria document.
- On their fourth suggestion, enhancing national capacities, we would like to add one more that is enhancing national and sub national capacities.

## ***Comments from the Civil society on the proposed Funding Criteria***

**Brandon Wu on behalf of ENGO, WGC and IPO**

- We were assured that this paper does not exist, yet now it not only is appearing onscreen and we are seeing proposed sub-criteria in detail for the 1st time but it seems to be explicitly the basis for negotiations on a hugely important decision for this Fund. Can we get some clarity about how the co-chairs plan to move forward with adopting a decision here if this remains a paper with no status? It doesn't give a lot of confidence regarding transparency if a decision is taken on the basis of a paper no one was allowed to see beforehand.

**Co-Chair Richard Sherman**

- This paper here is the paper from the framing document that was sent to the board. It is not the papers that don't exist. So the board has had this paper for well over three weeks and whoever your source is who gave you the other papers, for some reason didn't give you this one.

**Brandon Wu on behalf of ENGO, WGC and IPO**

- We are against pillar 5. A leverage requirement should not apply to a solidarity fund, and certainly not at the level of a criterion for funding approval.
- The appropriateness of grants was already agreed in B5 and should not be reopened.
- The Fund was created to repair harm, not create more debt, and communities facing irreversible impacts must not be forced to borrow to recover. Grants are the only just and appropriate instrument, aligned with the polluter-pays principle and the Fund's core mandate.
- On country-ownership criteria; this must include asking for an indication of ambition and intent in sub-national and local level funding. We recognize the notion that each country has its own way for how to work with "groups in climate-vulnerable situations". But, as this is a fund that is meant to support climate-vulnerable people and communities on the ground, it is important that proposals spell out how they intend to do this, ideally with a firm commitment to a certain allocation of funding in support of locally-led and locally-owned actions and access for communities and how this will be channeled domestically.
- On complementarity and coherence - we reject coherence being used to defer funding to other entities, coherence should focus on national level alignment and on building and strengthening national and subnational level systems and mechanisms
- Results and Impacts for responding to L&D - we want to challenge the narrow or market-based interpretations of "impact" and we agree with Board members who have raised concerns with innovation, replicability and scalability as core criteria.
- On environmental, social and gender elements, we reiterate that FRLD funding actions under the BIM must be people-centered, protecting and advancing human rights, including gender equality and the rights of Indigenous Peoples.
- The FRLD should deliver multiple benefits and outcomes for people and communities bearing the brunt of escalating loss and damage, as highlighted in paragraph 5 of the Governing Instrument under the purpose and objectives of the Fund.
- This explicitly includes the need for activities to be culturally-sensitive and gender-responsive, so there should be some thinking on how this can be achieved during the BIM, even if there is still some more clarity needed on how this could be most appropriately reflected in funding criteria.
- Also stressed that these important principles must not be used as conditionalities or barriers that make the Fund inaccessible to people and communities on the ground most in need.

- These elements should guide and enhance implementation and not complicate or delay access to urgently needed support.

**Charles Zander Deluna, on behalf of YOUNGO**

- Strongly support the call of a lot of the board members for a simplified and accessible approach to the BIM. "Complexity must not be the cost of access, especially for communities already living in crisis. If this fund is truly for the most vulnerable, then the process must reflect their realities and not institutional convenience."
- On the funding criteria, 4c: urged the Board to ensure that safeguards and monitoring frameworks are not only inclusive, but also intergenerational standards must be responsive to children and youth.
- Regarding criterion 5: rejected the notion that BIM grants can be used to leverage other modes of financing that could result in financial burdens onto the very countries and communities this fund is meant to serve.
- Stressed that FRLD must remain grant based, needs driven and free from mechanisms that reproduce cycles of vulnerability and dependency.
- Urge that active observers be granted the right to review BIM proposals.

**Sumaiya Binte Selim, on behalf of RINGO**

Sumaiya shared experiences from her work at the International Centre for Climate Change and Development (ICCCAD), based in Bangladesh. Her key points included:

- At ICCCAD, they are working on a research base and collecting evidence on priorities, along with capacity-building evidence and research findings from national approaches, considering gender-transformative approaches as a priority while supporting national strategies.
- The findings can be shared for assurance regarding funding areas and activities. This information can be disseminated by following the best practices of pilot projects aligned with the national plan.
- Urged active observers to have the right to review documents to support transparency and access to information.

## ***Session 2: Project/Programme Cycle***

In this session the Board considered the project / program cycle for the Barbados Implementation modalities.

During which Jean-Christophe Donnellier Developed country Co-Chair of the Board asked the Board to consider the table in part 2 of the framing paper for the operationalisation of

the BIM (note that this paper has not been shared publicly). See screenshots of the table and supporting text without comments from Board members below.

Key simplifications measures for the Board's consideration include:

a. **One-step approval**: full proposals and/or funding requests are submitted for which concept notes are not required.
b. **Shortened review timelines:** the Secretariat will maximize efficiencies with the aim of significantly decreasing review timelines (compared to the other multilateral climate funds):
    - Completeness check - 2 weeks per iteration.
    - Technical review - 3-4 weeks (timelines may vary depending on resubmissions)
    - ESS, gender, fiduciary, legal review - 3-4 weeks per iteration (in parallel with technical review)
    - [Scientific advisory panel review (if established for the BIM)- 2-3 weeks. The Board may consider establishing an scientific advisory panel for the BIM phase and decide on the panel's role in advising the Board regarding the scientific soundness of proposals.]

    *Note: These proposed tentative timelines will need to be considered in lieu of the numerous proposals to be received in a short period of time during the period of the call for proposals.*
c. **Simplified templates** with clear annotated guidance and maximum page lengths. Mandatory annexes will be limited to only the minimum required information.
d. **Standardized legal agreement templates** [set up as "framework agreements" as opposed to project-level agreements].
e. **Simplified reporting requirements** focused on results/impacts and financial reporting.
f. **Flexible adaptative management** that allows flexibility in making minor changes during implementation, with streamlined procedures for approving major changes.

| *No* | *Stage* | *Description* | *Role* |
|---|---|---|---|
| 1 | Origination | Proposal/funding request development is led by the country in line with the bottom-up, country-led and country-owned approaches, according to national priorities and circumstances | Countries and IEs (as determined by countries) approved to access the Fund |
| 2 | Call for proposals | Launch call for proposals for the BIM | FRLD Secretariat |
| 3 | Submission of proposals | • Single country proposals and/or funding requests: submission by the country<br>• Multi-country proposals and/or funding requests: submission by one country nominated by all countries involved | Countries |
| 4a | Secretariat review | Completeness check | FRLD Secretariat |
| | | Technical review: review of the proposal/funding request against the BIM initial funding criteria and eligible activities for funding (see paper 3, document FRLD/B.6/5)) | **Option A**: FRLD Secretariat supported by an ad hoc BIM delivery team<br>**Option B**: other organizations<br>(see paper 1, document FRLD/B.6/3) for further details on the options) |
| | | Environmental and social safeguards (ESS) and gender review: screening of the proposed interventions against ESS and gender requirements.<br>For IEs approved to access and implement resources from the Fund and judged to have functionally equivalent policies, their own policies and procedures for ESS will apply. As noted in paper 1 (document FRLD/B.6/3), for countries approved to access direct budget support, the Board is requested to provide guidance on the standards and policies to be used (i.e. the World Bank's or others) to conduct ESS screening and gender review of budget support proposals/funding requests. This will also be reflected in the operational manual for the BIM. | |

| | | | |
|---|---|---|---|
| | | Monitoring and evaluation review: to ensure that results are effectively measured, reported, evaluated and used for learning. | |
| | | Financial review: review of the proposed financing plan and budget, procurement plan (where applicable) | |
| | | Legal review, where required, will be conducted in close engagement with the interim Trustee | |
| 4b | [Option: Scientific advisory panel review] | [Review by a scientific advisory panel if established for the BIM. The panel's role will be to provide independent scientific advice on activities and projects/programmes funded by the FRLD. The panel's review may commence earlier in the process (as opposed to at the last step) in parallel with the technical review] | [FRLD scientific advisory panel] |
| 5 | Board approval | Approval of activities and projects/programmes by the Board | FRLD Board |
| 6 | Legal arrangements | Interim Trustee signing the legal agreement with countries and/or IEs, on behalf of the Board | Interim Trustee |
| 7 | Implementation | Disbursements | FRLD Secretariat and interim Trustee |
| | | Adaptive management | Countries and IEs (where relevant)<br>Review by FRLD Secretariat |
| 8 | Monitoring and evaluation | Reporting and midterm and final evaluations | Countries and IEs (where relevant)<br>Review by FRLD Secretariat |
| 9 | Closure | Operational and financial closure | FRLD Secretariat and interim Trustee |

Before opening the floor to comments from Board members, Co-Chair Jean-Christophe Donnellier explained what modifications have been made to the table following comments from Board members on the framing paper. These are as follows:

- Under 1 in cell for role, instead of IEs, the proposal is to remove and IEs (implementing entities) and the bracket and to read as *IEs determined by countries.*

- Under 3 on the submission of the proposal, following the Board's discussions, the proposal is to add in the cell under role to read countries through the *National Focal Point.*

- Suppress 4b in its entirety as it did not receive support from the Board.

- There was a request by one Board member to request the Secretariat that following the review, to go back to the country to have an exchange and get feedback in regards to the review done by the secretariat on the proposal done. (Country response/resubmission)

He then opened the floor for comments from the Board.

## ***Emerging trends on the Project/Programme Cycle***

Below we give an overview of the emerging trends under this discussion from the comments made by Board members and civil society.

**Developing country Board members:**

- Raised concerns about having a proposals having to have an environmental social safeguards and gender component and how this would be evaluated (Egypt)
- Called for a separate table for the project cycle for rapid disbursement (Timor Leste)
- Called for the inclusion of framework agreements to enable countries to have ongoing engagement with the FRLD when new funding is available without having to make new proposals/agreements e.g. like a medical record (Fiji)
- Asked for clarity on how long it would take for countries/implementing entities to sign an agreement with the trustee of the FRLD (Egypt)

**Developed country Board members:**

- Did not support the Secretariat to go back to every country to get feedback due to the Secretiatis capacity constraints (UK).
- Called for clarity on who would do the review of proposals (Japan)
- Called for a discussion on scientific review (Japan)
- Asked for clarity on who signs the legal agreement on behalf of a country with the FRLD (Norway)

**Civil society:**

- Asked how transparency will be tackled under the project cycle or in the operating manual. Called for the full assessments of proposals to be published in a timely manner before they go to the Board so that observers, especially communities, can review and provide feedback. (Women and Gender Consistency).

- Asked if framework agreements would be published? (Women and Gender Consistency).

- Asked if the FRLD will be able to rapidly respond (Farmers)

- Asked if an organisation of vulnerable groups endorsed by a government can make proposals (Farmers)

Following comments from Board members and civil society the session was suspended with the Co-Chair indicating that a new version of the table taking into consideration the views expressed today would be shared with Board members tomorrow along with a proposal for a decision text.

## ***Session 3: Guidance on the National Designated Authority***

In this session the Board considered what guidance would be provided to national designated authorities under the BIM. At the start of this session developing country Co-Chair Richard Shreman clarified several important things:

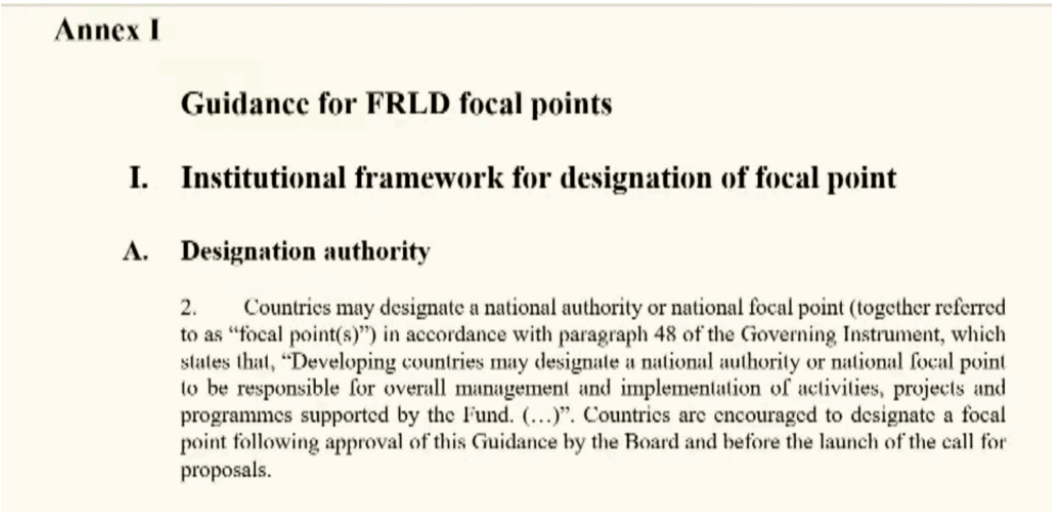
- The language in the governing instrument of the FRLD is national designated authority and not a national focal point; also the decision from B5 uses the same language.

- The governing instrument spells out what the role will be for the national designated authority and the B5 decision adds several further points.

- Countries were invited under the decision establishing the BIM taken at B5 to designate national authority and currently only Vanuatu has appointed one.

- At that time it was decided that further guidance would be provided to the national designated authority and some information has been included in the framing paper.

Further information provided in the framing paper is as follows:



**Annex I**

**Guidance for FRLD focal points**

**I. Institutional framework for designation of focal point**

**A. Designation authority**

2. Countries may designate a national authority or national focal point (together referred to as "focal point(s)") in accordance with paragraph 48 of the Governing Instrument, which states that, "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. (…)". Countries are encouraged to designate a focal point following approval of this Guidance by the Board and before the launch of the call for proposals.

**B. Selection of focal point(s)**

3. Countries may select a focal point from within a government agency or entity of their choice. The selected institution should have a clear mandate and capacity for cross-sectoral coordination to effectively manage loss and damage programming.

**C. Contact and structure**

4. Each focal point shall maintain:

(a) One primary senior level signatory with the authority to sign official correspondence;

(b) At least one secondary technical level contact for operational coordination.

**II. Functions and Responsibilities of the Focal Points:**

**A. Communication and documentation**

5. The focal point's contact information should be kept up-to-date by the country and be readily available on the FRLD website.

6. The focal point will:

(a) Maintain regular communication with the FRLD Secretariat;

(b) Retain all relevant documentation related to proposals and/or funding requests;

(c) Ensure timely submission of required reports and updates;

(d) Be consulted on any proposals and/or requests for funding through any access modalities, including those referred to in paragraph 49 of the Governing Instrument.

**B. Access modalities**

7. The focal point's role is to submit to the FRLD the proposals and/or funding requests based on the access modalities available, consistent with paragraph 49 of the Governing Instrument.

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The proposed accompanying decision text is as follows:

The Board:

(a) *Adopts* the guidance for FRLD focal points as contained in the annex to this decision, to apply to both national authorities and national focal points;

(b) *Requests* the Secretariat to review the guidance for FRLD focal points at the conclusion of the Barbados Implementation Modalities and present updated guidance for consideration by the Board at B.12, and to review the guidance every three years thereafter to ensure they remain fit for purpose.

The two paragraph decision includes:

- One paragraph on the adoption of the guidance as outlined in annex of the same document.

- One paragraph requesting the Secretariat to review the guidance for consideration at B12.

On the outline of the Annex

- Section I which is on the Institutional framework for designation of focal point. This is composed of:

    - A. Designation Authority (As per language from the governing instrument and B5 decision).

    - B. Selection of the Designated Authority (Each country has the authority to choose their national designated authority and where that authority is placed. E.g. the ministry of finance, the ministry of planning etc, it is up to the country. The Board will not give guidance on this ).

    - C. Contact and Structure (speaks to what constitutes the authority. Based on past experiences one senior official is needed as the signing body, the person that will sign any request for funding or technical science or any formal communication with the FRLD to do with money. They don't need to be the legal authority this can be assigned to another e.g. ministry. Authorities can designate a second official that can be involved in fund related activities such as capacity building).

- Section II focus on Functions and responsibilities of the focal points

- 6 a,b,c and d are the functions of the national designated authority (6 (d) is directly from the governing instrument).

- B (7) confirms their role is primarily to submit funding requests to the FRLD.

The floor was then opened for comments:

**Mark Dennis Joven, Board Member from Philippines**

- Requested the removal of paragraph 7 as this language in the governing instrument.

**Sebastian Lesch, Board Member for Germany**

- Asked if the focal points role should also be to ensure the inclusivity of the most vulnerable communities.

**Co-Chair Richard Sherman**

- Indicated that he did not have a problem with that but that it might not be that easy to achieve. For example: If GIZ was coming to South Africa to do some work the focal point would not be able to ensure that they were inclusive (i.e. if an implementing entity was carrying out work to respond to loss and damage the national designated authority would not be able to ensure they were inclusive).

**Mohamed Nasr, Board Member for Egypt**

- Called to keep paragraph 7 otherwise a process will be needed whereby the national designated maturity gives no objection. This is important for country ownership.
- Either have paragraph 7 or put in place an official no objective process.

**Co-Chair Richard Sherman**

- Indicated that it was possible to have a conversation on a no objection process. If this was the case it would need to be a step in the project cycle.

**Anna Merrifield and Georg Børsting, Board members for Finland and Norway**

- Requested the decision to be circulated.

**Jan Dusik, Board Member for EU**

- Asked for one of the functions of the focal point to be to seek synergies with other focal points. To make sure what will be proposed for funding under the FRLD is coherent with other projects.

**Dan Lund, Board Member for Fiji**

- Suggested listing the expectations of the FRLD Secretariat in regards to the national designated authority. E.g. regular communications. To make it clear that it is not a one way relationship.

**Co-Chair Richard Sherman**

- Suggested that this should be put in the decision to clarify the role of the Secretariat.

The session was then suspended to allow Board members to look at the proposed decision ahead of another session which will be held tomorrow.

# Agenda Item 9: Report of the Board to 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

Under this agenda item the Board was invited to consider the draft report of the Board to the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) and to agree on the approach for finalizing the report to be submitted to COP 30 and CMA 7 which will take place in Belém in Brazil in November 2025.

Developing country Co-Chair, Richard Sherman explained that are sections of the draft report that has been prepared by the Secretariat:

1. Actions taken to implementing guidance on policy, programs and eligibility criteria; and;

2. Progress made towards implementing the governing instrument of the Fund.

The Co-Chair, Richard Sherman then informed the Board that they have two options:

1. Adopt the report in its current format and then mandate the Co-Chairs of the Board to integrate the outcomes of the Board meetings into the report and then submit it to the UNFCCC Secretariat.

2. Request the Secretariat with the Co-Chairs to submit an addendum to the report to the COP and CMA which will include the summary of the final outcomes of the final Board meeting of the year (B7) and then submit that as a second report, as an addendum.

He also reminded the Board to consider that most of the core activities of the Board in 2025 will take place between now and B7 in October.

**Mark Dennis Joven, Board Member from Philippines**

- Took note of paragraph b where the Co-Chairs will have to submit an addendum making reference to the decisions taken during B7 and asked if the Board can just wait until after B7 where everyone can read and comment on the proposed report before making the submission to the UNFCCC Secretariat.

**Richard Sherman, Co-Chair of the Board**

- Explained that the addendum proposal is because of the COP having a process where guidance is prepared based on the report submitted.
- At the same time, the deadline for the report is 20th September which also calls for compliance to the deadline.

**Jan Dusik, Board Member for EU**

- He argued that there is already quite a bit of information on what the Board has already done from B4 and B5 and commended the proposed report which reflects progress and what has been achieved.
- He agreed with the Co-Chair that in the addendum we can have the report on the full implementation of the BIM.
- He further provided three suggestions as follows;

- In the summary in paragraph 5, asked for the explicit mention of the recruitment of the Deputy Executive Director
- In paragraph 33 (under action taken to enhance coordination and complementarity) to change technological to technology (as a typing error)
- In paragraph 34, there is a mention of Secretariat meeting with partners and that it should be written as informal as there was no formal mandate given to the Secretariat on this.

**Richard, Co-Chair of the Board**

- Responding on the first point to include the recruitment of the Deputy Executive Director is not a Board appointed role and the report is the report of the Board and suggested to work with the Secretariat to find an appropriate place to take about the Secretariat staffing in general.

**Abdulrahman, Board Member from Saudi Arabia**

- Commented on the addendum and the need for a Board that is accountable to the Board and the importance of being able to know what is contained in the addendum and not pre-judge as to what will happen at B7. He therefore made the suggestion to allow the Board to be consulted on the amended of the second part of the report.

**Richard Sheman, Co-Chair of the Board**

- Responding to the suggestion from Abdulrahman highlighting that in general practice with other Funds, it is a matter to mandate the Co-Chairs to work on the report where they will just take the decision of B7 and add it to the addendum and report.

- He proposed that if the Board would like to be consulted on the addendum, it would not be in line with other funds.

**Mohammed Nasr, Board Member from Egypt**

- Pointed out that this is the practice of other funding entities, but also reminded the Board of how different the FRLD is and how it will benefit the Board to have information on what is included in the addendum provided upfront to allow the Board to have an understanding of what is contained in the addendum.

- Asked if there are elements that are going to change, giving the example of paragraph 23 on the status of resources, if they will be updated in the addendum.

**Richard Sheman, Co-Chair of the Board**

- Confirmed that changes will be reflected in the addendum.

**Elena Cristina Pereira Colindres, Board member from Honduras**

- Asked if the time frame of the report is covering the period from 21 September, 2024 to 31 July, 2025, pointing out that this means it is covering the decision taken at B6 and requested if the Board could wait until the 31st of July for adoption of the report.

**Richard Sherman, Co-Chair of the Board**

- Proposed to give a mandate to the Co-Chairs to work with the Secretariat on the report of B6 and circulate to the Board for input for two weeks then to validate the report for publication, which applies to the compendium of decision which will be prepared and circulated to the Board to provide inputs within two weeks before approval by the Board at B7.

**Mohammed Nasr, Board Member from Egypt**

- Coming back to the floor on the expectation to have the secretariat prepare both the report for B6 and the compendium of decision, he expressed concern specifically on the report, pointing out on how it took the Secretariat three months to release the report for B5 and if the same things happens this time around it means the report will take us to COP to be released and for the Board to comment and his request to the Secretariat to have a clear timeline on the release of the report.
- Asked about the recommendations captured in the report of the First annual High Level Dialogue for the Fund. Asked for clarification on who prepared the recommendation and the basis for them and who has endorsed the recommendations. Expressed interest in engaging further on some of the recommendations provided such as those on "innovative funding mechanisms". And asked if the Board would discuss if the report of the High Level Dialogue has been accepted and if these recommendations would be included in the report of the Board to the COP/CMA.

The Co-Chair asked the Executive Director of the Fund to answer the question on the HLD report and the recommendations provided.

**Executive Director of the Fund**

- The HLD report was produced by the Secretariat
- At the High Level Dialogue, initially they were working on having a statement of commitment which turned out to be difficult as most participants needed to get prior approval for them to sign up to the long list of commitments, therefore the secretariat abandoned that idea.
- In the end, the Secretariat just captured the discussion in the report and what they saw as recommendations coming out of the dialogue. Participants were not required to endorse the recommendations.

**Mohammed Nasr**

Responding to the ED of the Fund:

- Proposed that a footnote should be included in the report of the Board to the COP/CMA to make clear that the recommendations were prepared by the Secretariat and not endorsed by the Board.

**Richard Sherman, Co-Chair of the Board**

- Confirmed that due to the short time line between B7 and COP 30/CMA7 the compendium of decision would need to be used as the basis for the addendum that would be added to the report of the Board to the COP/CMA.

- The decision was taken to go with option two: To request the Secretariat with the Co-Chairs to submit an addendum to the report to the COP and CMA which will include the summary of the final outcomes of the final Board meeting of the year (B7) and then submit that as a second report, as an addendum.

# DAY 1

The webcast for day one is here. The provisional schedule is here, note that we only have the schedule for the first half of the day at the time of writing.

Agenda items that will be discussed today include (all times are in local time GMT+8):

- 09:00 – 09:20 Opening Ceremony:
    - Remarks by the Co-Chairs of the Board
    - Remarks by the Executive Director
    - Remarks by H.E. Ferdinand R. Marcos Jr., President of the Republic of the Philippines (to be delivered by Raphael P.M. Lotilla, Secretary of the Department of Environment and Natural Resources of the Philippines)
- 09:45 – 10:15 Opening of the meeting
    - Organizational matters:
        - Adoption of the agenda
        - Organization of the work of the meeting
- 10:15– 10:30 Report of the fifth meeting of the Board
- 10:30– 11:30 Dialogue with civil society
- 11:30 – 13:00 Establishment of the new, dedicated and independent Secretariat

# Agenda Item 1: Opening of the meeting

Opening remarks came from **H.E. Raphael Lotilla, Secretary of Environment**, who was speaking on behalf of the President of the Philippines.

In his remarks, he commended the Board for the strides made so far, especially for the operationalization of the Fund, which has led to the establishment of the Barbados Implementation Modalities (BIM), and the allocation of an initial 250 million USD, which is a crucial step in bringing much-needed support to countries facing devastating impacts with limited capacities. Key points included:

- Lotilla reiterated the vulnerability that the Philippines continues to face due to the devastating impacts and called for a collective call on climate justice. He pointed out that it is for the vulnerable people that the Fund was created, anchored in empathy, urgency, and purpose.

- In his remarks, he reminded the Board that the BIM implementation will not be easy and that what's at stake demands urgency and action. He further explained that the

cost of action is far too high and that the moment of change is now.

- He called on the need for the Fund to be swift, accessible, and human-centric. The Fund should be the legacy of the work in Cebu to deliver policies, offer strength and solidarity to the warming planet.

- Closing his remarks, he emphasised how the Philippines is a fellow advocate for vulnerable nations and is dedicated to climate justice, and called on the international community to help sustain the Fund and fulfill its promises. Let this meeting be remembered for its clear direction, bold spirits, and lasting progress.

## Agenda item 2: Organizational matters

After a long recess in which the developing and developed country constituencies held a coordination meeting  the meeting re convened by developing country constituency Co-Chair, Richard Sherman of South Africa, after which he:

- Welcomed the new Deputy Executive Director of the Fund, Ms Mathilde Bord-Laurans to her first Board meeting.

- Made announcements on the new representatives replacing members of the Board:

    - Anna Merrifield from Finland will replace Jens Fugl  from Denmark
    - Kristy McNichol from Australia is replacing Rebecca Lawlor from the United States as Board Member
    - Tessa Kelly from Australia is replacing Mr Alexander Miscof from the United States as Alternate Board Member
    - Mr Oday Hadi Haddawee Al-Bayat from Iraq has replaced Mr Rajis from India as alternate Board Member
    - Johanna Pietikainen from Finland is replacing Anna Merrifield from Finland as Alternate Board Member
    - Orla Kilcullen from Ireland is replacing Ms Elizabeth Cathe from Ireland as an Alternate member of the Board
    - Margarete Knorr from the United Kingdom has replaced Claire Flemming from the United Kingdom as Alternate Board Member
    - Benjamin Abraham from New Zealand has resigned from his position back home and is awaiting replacement

And announced the temporary replacements for B6:

- Ahmed in Abdulrahman Al Ghardaqa from UAE has replaced Abdulla Balalaa
- Ambassador Ruleta Camacho Thomas from Antigua and Barbuda has temporarily replaced Peter George Jr. Abraham
- Anders Martin Larnemark from Norway has replaced Karoline Kjeldsen as Alternate Board Member
- James Frilay from Australia has replaced Tessa Kelly
- Walter Schuldt from Ecuador has replaced Maria Victoria Gandini from Argentina as Alternate Board Member
- Sofia Vargas from Colombia has replaced Jaime Tramon from Chile as Alternate Board Member
- Tsutomu Itsumi from Japan has replaced Hyokai Tsuyoshi from Japan as Alternate Board Member.
- Mr Hafij Khan from Bangladesh has replaced Madeline Rose Diouf from Senegal as Alternate Member of the Board

Board/Alternate Members who have not made it to B6 with apologies:

- Ana Paula Rodrigues from Portugal
- Didar Temenov from Kazakhstan
- Antoine Bergerot from France

### ***2a. Adoption of the agenda***

Co-Chair Richard Sherman requested the Board to consider the provisional agenda for B6 which was adopted without object with a comment from Anna from Finland reminding the Board of the draft rules of procedure par 26 where the agenda is supposed to be circulated 30 days before the meeting date and that is making it hard for Board members to get clearance to travel.

### ***2b: Organization of the work of the meeting***

Daily schedules will be shared each day here.

## Agenda Item 3: Report of the fifth meeting of the Board

Co-Chair Richard Sherman asked the Board to consider the report of the fifth meeting of the Board. The report was adopted with no objections.

# Agenda Item 13: Dialogue with civil society

Under this agenda item the Board had dialogue with civil society which was represented by representatives of the nine UNFCCC constituencies on their expectations on five key things; access modalities and funding criteria of the BIM, community access, resource mobilisation strategy and FRLD observer polices and structure of the Secretariat.

**Cheng Pagulayan of Oxfam Pilipinas** and **Harjeet Singh of Satat Sampada Climate Foundation** spoke for ENGO on the need to deliver the resource mobilisation strategy for the FRLD. Key points from Cheng's intervention included:

- "Cebu, where this Board Meeting is taking place, is one of the most climate-vulnerable areas in the Philippines. This city and its surrounding provinces have long been on the frontlines of the climate crisis. In 2021, Typhoon Rai devastated Central Visayas, displacing hundreds of thousands and causing billions in damages to homes, livelihoods, and infrastructure."

- "And yet, the Fund that was created to respond to these impacts remains almost completely empty. To date just 358.41 million USD has been paid in. That is less than 0.1% of 395 billion USD that scientists have qualified to be the projected Loss and Damage finance needs of the Global South in 2025 alone."

- "In Baku last year, the decision on the New Collective Quantified Goal on climate finance (NCQG) clearly acknowledged the significant gaps in addressing the growing scale and frequency of loss and damage, including both economic and non-economic impacts."

- "We are deeply concerned that this issue of resource mobilization is not being treated with the urgency or ambition it clearly demands. Time and again, we hear that "resources are limited" or that governments are facing "fiscal constraints." But with decades of delay and derailment, it is clear that this is no longer a question of capacity. It is truly a question of political will."

- "Developed countries continue to find space in their budgets for military expansion, border enforcement, and fossil fuel subsidies. These are political choices that divert resources away from where they are most needed and, worse, intensify the very climate crisis this Fund seeks to address."

- "We'd like to re-emphasize that the FRLD is neither charity, nor aid. It is the institutional expression on the climate debt owed by the Global North to the people of the Global South. It is not optional, it is reparations."

Key points from Harjeet's intervention stressed what should be included / addressed by the resource mobilisation strategy:

- Deliver a clear and time-bound resource mobilization strategy,by the B7 deadline based on the polluter pays principle, equity and common but differentiated responsibilities and respective capabilities and ensure that the Global North countries and polluting corporations most responsible for the climate crisis pay their fair share of Loss and Damage finance.

- Ensure that the Fund is grounded in new, additional, predictable, adequate, public, grants-based finance not market based solutions.

- Immediately convert all remaining pledges into actual contributions. "The grossly insufficient pledges by developed countries spread over years, combined with persistent delays in converting them, has directly resulted in the woefully inadequate scale of the Barbados Implementation modalities. This must change."

- Include in the long-term resource mobilisation strategy a periodic replenishment cycle every four years, while maintaining flexibility to receive financial inputs on an ongoing basis, in line with the Governing Instrument of the Fund.

- Ensure that direct budget support is guided by equity, prioritizing those who are most vulnerable and least responsible for the climate crisis, not those who are most convenient to reach or easiest to fund.

- Finance must be delivered from a wider variety of sources that are new, fair and redistributive, predictable and publicly-controlled and follow the polluter-pays principle. These sources must not replace developed country obligations but complement them. Potential sources could include:

- A Climate Damages Tax (CDT) on the extraction of fossil fuels could generate 44.6 billion USD for the Fund in its first year and increase in subsequent years.

- The phasing out and redirection of fossil fuel subsidies, which currently amount to trillions of dollars globally, must be directed toward climate finance including the FRLD.

- Public finance mechanisms identified in the Baku-Belem Roadmap to 1.3 Trillion, the forthcoming report of the Global Solidarity Levies Task Force at COP 30, the decision/recommendations resulting from Parties consideration of the implementation of article 9.1 of the Paris Agreement at COP 30, and the development of the United Nations Framework Convention on International Tax Cooperation.

- Include in the strategy a clear, justice and rights-aligned definition of what qualifies as Loss and Damage finance. Failing that, a negative list of what should not be considered Loss and Damage finance must be included.

- "The credibility of this Fund rests on the decisions made in this early phase. So we urge developed country governments to go beyond the symbolic pledges. We need to fill the Fund with adequate resources. We need equity. We need scale. And we needed it yesterday!"

**Claire Miranda of the Asian Peoples' Movement on Debt and Development** (APMDD), spoke on behalf of ENGO (Global Campaign to Demand Climate Justice) on Access Modalities under the Barbados Implementation Modalities (BIM). Key messages included:

- We echo the concerns expressed by many Board members during yesterday's informal session about the proposed access modalities that would functionally exclude many developing countries from accessing support from the FRLD.

- This is not only inequitable but also fundamentally inconsistent with the core principles of the UNFCCC and its Paris Agreement, which emphasize equity, common but differentiated responsibilities, and the obligation to support vulnerable developing countries.

- It was made extremely clear throughout the Transitional Committee process for the FRLD that eligibility of all developing countries to access the Fund is an absolutely basic bottom-line requirement – this must be safeguarded from the beginning of the Fund's funding efforts in its start-up phase.

- We are also deeply concerned about seemingly arbitrary restrictions on implementing entities proposed for the BIM phase. Why should accredited entities to the GEF, Adaptation Fund and GCF only be available for the BIM phase if they have existing agreements with other World Bank FIFs?

- This is an egregiously limiting criterion that exemplifies a rigid, exclusionary approach - one centered on the World Bank ecosystem, rather than the needs of the communities this Fund is meant to serve.

- This criterion leaves out the 101 direct access entities of the GCF, including a number of developing country government departments, that have successfully passed what all observers agree are though accreditation requirements on fiduciary standards, environmental and social safeguards, and provisions to promote gender equality, the rights of Indigenous Peoples and participatory project implementation.
- We would like to see direct access entities added to the BIM as a priority, especially those that have experience or are familiar with enhanced direct access (EDA) modalities in the Adaptation Fund or the GCF which devolve decision-making on climate finance to the national or subnational level by making funding available for community-level activities.

- Our concerns only increased when it came to the descriptions of the paper on direct budget support. The section on policy-related budget support, and triggers for support dependent on prior actions, read like precisely the kind of top-down conditionalities so emblematic of MDB financing (despite attempts to use the phrase "country-driven" here and there) that we are trying to move away from as a matter of both equity and climate justice - as well as effectiveness and pragmatism.

- We cannot afford to get bogged down with conversations about direct budget support that are burdened with old-school notions of conditionality and results-based finance.

**Liane Schalatek of the Heinrich-Böll-Stiftung Washington**, DC, spoke on behalf of the Women and Gender Constituency to deliver civil societies demands and concerns on funding criteria and results management under the BIM. Key messages included:

- With the BIM restricted to just USD 250 million, giving the limited commitment authority of an under-pledged and under-resourced FRLD, the number of funding requests in the start-up phase will far exceed available resources.

- Therefore the funding criteria, the framework for deciding which proposals will be considered by the Board will be crucially important and have the potential to put the first funding decisions of the FRLD in the right direction or on the wrong track.

- We urge the adoption of a transparent mechanism, with clear guidance provided to national focal points and countries from the outset of the call for proposals.

- Equally critical is the strengthening of the Secretariat´s assessment capacity - not only through a roster of technical experts, as discussed during yesterday´s informal board meeting, but also through the institutionalization of a participatory review process that meaningfully includes the voices and expertise of affected communities and right holders.

- All Secretariat assessments of BIM proposals —as well as the proposals themselves— should be made publicly available, with adequate time prior to the Board meeting to allow for engagement with observers.

- Proposals must be developed through inclusive, in-country participatory and iterative processes, including in a dialogue between the FRLD and funding proponents for further refinement of proposals, to ensure that communities on the frontlines of loss and damage are at the table from the beginning —not only as beneficiaries, but as co-designers.

- The proposed criteria (from the Secretariat's presentation during civil society consultations) are deeply troubling and unsuitable for the FRLD, a Fund meant to deliver justice to countries and communities already experiencing the devastating impacts of climate induced loss and damage at scale.

- We firmly reject the inclusion of a funding criteria that would focus on financial leverage. This approach would reward and prioritize private sector-focused blended finance approaches, which are unsuitable and inappropriate for addressing loss and damage, and use the already insufficient public grant resources in the BIM to ensure profits for the private sector by buying down business risk, instead of addressing through direct grant support the risks to the lives and livelihoods of people and communities.

- We are also alarmed by the promotion of co-financing pushed in the name of financial efficiency. This will only distract from serving those most in need in the form of grants and non-debt creating instruments in line with equity and justice.

- Under the proposed criteria on results and impact, we question the overwhelming focus in particular on innovation, as in most funding contexts unfortunately "innovation" is narrowly equated with financial engineering or market-based solutions. We do not need financial gimmicks, especially at a start-up phase, but instead the proof that the FRLD is able to fund quickly and effectively those straight forward and well known and well-tested grant and non-debt creating approaches, including by supporting and reaching affected communities directly.

- If a scorecard or similar methodology is used to assess proposals, we seek clarity on how these criteria will be weighed. From our side, there are elements which we would like to see score higher, ensuring that thoughtful inclusion in submitted proposals will be rewarded, such as the integration of community access provisions both through implementing entities as well as direct budget support.

- We would also like to see a criteria rank high that FRLD funding actions under the BIM must be people-centered, and protecting and advancing human rights, including gender equality and the rights of Indigenous Peoples in delivering multiple benefits and outcomes for people and communities bearing the brunt of escalating climate change in the context of sustainable development and poverty reduction.

- It is crucial to ensure that proposals uphold environmental and social safeguards and avoid doing harm to communities. This is in our view an important criteria for funding proposals in the kind of FRLD we would like to see being operationalized from the start and at scale.

**Grace Balawag of Tebtebba** (Indigenous Peoples' International Centre for Policy Research and Education) on behalf of the Indigenous Peoples Constituency and **Irish Baguilat of the Asian Farmer's Association for Sustainable Rural Development** on behalf of the Farmers Constituency, delivered an intervention on the importance of the FRLD delivering community access. Key messages included:

- We must not lose sight of the Fund's legal mandate to service those rendered most vulnerable to climate impacts under the UNFCCC and Paris Agreements. Community access plays a transformative role in the climate finance architecture, not as a peripheral component, but as a structural necessity if we are serious about equity, effectiveness, and justice.

- Community access is the litmus test to see if this fund is working.

- The Board of the FRLD should ensure that community access is realised both as a stand-alone access modality, that can deliver small grants, through the establishment of a dedicated window, envelope, or programme at the level of the Fund as a priority and also mainstreamed throughout the different access modalities of FRLD.

- There are four practical ways to ensure access:

1. **Establish or Strengthen National/Subnational Climate Change Funds:** Governments can leverage or create dedicated national or subnational financing mechanisms with ringfenced allocations for community-led initiatives. These funds can channel resources to grassroots organizations.

2. **Integrate Local Planning Mechanisms and Decentralized Mechanisms into budget support:** National programming under the BIM must promote community-based planning processes and funding delivery systems. This means:
    - local planning committees at the municipal or district level
    - participatory proposal design requirements,
    - National mechanisms drawing from direct budget support should set a target of at least 50% of share of funds to community-led and grassroots organizations as implementers, not just beneficiaries. BIM funding criteria could encourage and reward such substantive commitments.

3. **Create a Participatory Review Mechanism at the Fund Level:** To ensure ongoing learning, accountability, and alignment with community needs, the Fund should establish a Participatory Community Access Review Mechanism at the global level. This mechanism would:
    - Include community and civil society representatives in the review and of proposals
    - Monitor the implementation of community access commitments, with the ability to flag exclusion, power imbalances, or structural bottlenecks.

4. **Reform and democratize National Coordination Committees:** to ensure that local priorities are reflected in decision-making and funding flows, countries must reform or develop L&D-focused National Coordination Committees, in which the focal points for the FRLD must play a central coordinating role.
    - These bodies should include:
        - Mandates seats for community representatives with voting power, not just advisory roles
        - Avoid political gatekeeping that filters out grassroots organizations or proposals, like in the GCF's readiness process and the letter of no-objection system
        - Be tasked with conducting participatory structural assessments to identify access barriers

- Even with limited BIM resources, a targeted pilot can demonstrate proof of concept and test fiduciary models to guide scale-up. Lessons learned can help mainstream community access at the fund level, including through direct access and a minimum allocation floor aligned with global pledges, such as the Grand Bargain locally led adaptation principles.

**John Leo Algo** from YOUNGO speaking on behalf of rights-based observers constituencies raised serious concerns about the current approach to observer participation.

- Our ability to engage has been consistently hampered by delayed access to documents, , leaving us with no time for adequate, or any, constituency consultation, inflexibility when asking for extensions to provide such feedback and short-notice invitations that limit meaningful input.

- Several promised consultations, including on the Active Observer Policy, were either last-minute or have never occurred, instead of being timely, inclusive and iterative. These are not merely logistical issues, they are structural barriers that weaken this Fund's legitimacy and the trust of the communities we represent, and undermine our right to meaningful and effective participation.

- These are not isolated incidents, they reflect an institutional shortfall that can and should be corrected.

- Regarding the Active Observer Policy, we strongly oppose the inclusion of private sector representatives on the Board, which is inconsistent with Paragraph 20 of the Governing Instrument. This space must center affected communities, not institutions with private interests and potential conflicts of interest.

- We urge the Board to envision consultative forums as inclusive spaces, especially for stakeholders who may not engage regularly but whose insights are vital, such as smallholder farmers, children and youth, migrants, or micro-enterprises.

- These forums could be supported by civil society and coordinated through regional desks to ensure deeper and ongoing engagement up to the local levels. Additionally, they could be a space for engaging stakeholders, such as the private sector, while avoiding any conflicts of interest in decision-making.

- He therefore therefore strongly urged the Board:

    - To give a clear signal to the Secretariat to prioritize the work on consultation, participation processes, and following interim procedures.

    - To establish a participatory review mechanism for all observer engagement modalities at the fund level, with regular feedback loops from civil society and rights holders, not just institutional observers.

    - To direct the Secretariat to immediately establish a dedicated expert staff in a stakeholder engagement unit with specific mandates and personnel to

collaborate with AO's in engaging civil society, Indigenous Peoples, children and youth, refugees, migrants, and displaced persons, and other frontline communities, with a strong focus on Global South coordination.

    - To reaffirm that this Fund must be accountable not only to governments, but to the people it exists to serve.

- We must also point out that effective and clear channels of communication and support include simple tasks such as copying the interim observers who are active in meetings to ensure documents arrive promptly.

- Meaningful participation is not an accessory; it is a core condition of climate justice.

**Towrin Zaman Raya**, of the International Centre for Climate Change and Development (ICCCAD), Bangladesh, spoke on behalf of the Research and Independent NGO Observers (RINGO) constituency on the lack of meaningful participation under the FRLD and the challenges that observers face when trying to attend Board meetings:

- We support our rights-based constituency colleagues who noted that observer engagement is regularly hindered by delayed access, inadequate consultation, which directly impacts our ability to provide informed and substantial input.

- Furthermore, short-notice invitations to meetings, along with the lack of responsiveness to inquiries sent by constituencies, severely constrain effective participation and undermine the spirit of inclusive engagement.

- In addition to these procedural challenges, observers, particularly those from the Global South, continue to face significant logistical barriers to participating in the process, such as visa and resource constraints.

- If such barriers are not adequately addressed, the commitment to inclusion and balanced representation remains unfulfilled.

- We also urge the strengthening of the current practice under the interim arrangement, ensuring that two representatives from each constituency group are allowed to serve as an active observer.

**Elmer O Datuin from the Local Governments and Municipal Authorities Constituency (LGMA)** urged the Board to:

1. Ensure that local government engagement and thereby funding localization is institutionalized as core criteria for successful project selection in the Fund's startup phase – if a proposal does not meaningfully involve the communities it serves, it cannot be effective.

2. Establish a pathway for local governments to access funding directly or through structured partnerships.

3. Create a civil protection funding window. Local civil protection systems are already on the front lines. "Give them the resources to act and you will save lives."

He further called on the Board to recognize local governments and municipal authorities not as a side actor, but as a legitimate stakeholder in the governance of the Fund. "We are not merely implementers, we are co creators of policies and solutions and we must be recognized as such".

**Tasneem Essop, Executive Director of Climate Action Network International**, delivered a powerful intervention reminding Board members why the FRLD was established. Key messages included:

- Around the time of the Glasgow COP, even though Loss and Damage was not on the agenda, civil society decided to make Loss and Damage an issue that could not be ignored.

- A year later, with continued pressure by civil society and partnership with developing countries who were committed to seeing this fund materialised, we managed to get an agreement on establishing a Loss and Damage Fund in Egypt, After 30 years of negotiations under the UNFCCC.

- We did this because we believe that this Fund needed to address the suffering of people in the Global South. That justice needed to be served. That we needed to ensure people had hope that multilateralism will take care of their needs. That's what motivated civil society to take on this fight and work so hard to bring it across the line to the Egyptian COP.

- We thought it important to remind all Board Members why we established this Fund in the first place. This is no usual fund. This is not the GCF, AF – this is the Loss and Damage Fund– when all else has failed. We need to serve people with hope, redress and justice - especially communities who are least responsible for the climate crisis.

- What are we alarmed about is the direction of travel that this fund might take. These are critical decisions that you as Board members will have to agree on. When a fund such as this, with the objectives of this fund, starts going down the road of typical World Bank modalities, then we are in trouble at the get-go.

- Financing criteria, using the funds to leverage, derisking, etc, as if what we are setting up here is an investment fund. No, it's not. This is a solidarity fund. This fund is supposed to bail out people suffering from the climate crisis.

- We are here to appeal to the Board Members to recall why this Fund was set up in the first place. How does one leverage death, devastation, homelessness for funding to address all of that? We need to reflect. It's a critical time for reflection because you will be tasked with deciding on the resource mobilisation strategy and the modalities of this Fund.

- The success of the fund will be its ability to mobilize and scale up resources, and ensure that communities for whom the fund was set up in fact benefit from those resources. Our appeal to Board members is to recall the reason why the Fund was set up. Do not lose sight of that critical mandate. Do not allow the future of the Fund to go down the path!

## ***Responses from Board members***

Board members then responded to the interventions made by civil society. Key points raised raised during their interventions included:

**Daniel Jerome Lund, Board member for Fiji:**

- Commended civil society for the interventions and also recalled the hard work that different stakeholders played to get the Fund established and the need for the Board to deliver.

- Recognised the frustration, but also the pressure placed on the Board and Parties to ensure that the Fund does what it needs to do. He also emphasised that it is difficult to get the funding out the door, build a robust institution and design policies without clarity on the scale which the observers spoke to, pointing to the need of resource mobilisation.

- On scale, he pointed out that the 400 billion USD needed per year to address loss and damage, whether it includes non-economic loss and damage (NELD) or not, at least gives a picture of the scale of needs.

- On the framing of the Fund he highlighted that it was not just a niche UNFCCC fund but a fund to address security and stability issues highlighting the link between the climate crisis and conflict but also how there are more deaths that result from extreme heat than armed conflict.

- Speaking to loss and damage in the Pacific, Dan highlighted that countries are signing bilateral agreements to recognize sovereignty when sea level rise hampers the ability to inhabit low lying island nations.

- On extreme heat in the Pacific, Dan stressed that it is something that they have never been able to prepare for. "In 2024, seven countries in the pacific experienced 106 days in the 90th percentile of historic heat average." Highlighting that it is difficult to understand how they will deal with this without a sense of the scale of the FRLD and a resource mobilisation strategy in place. He also drew the parallel that the current scale of the FRLD is equivalent to a quarter of the cost of building a coal plant.

- Lastly, he pointed out that the expectation for the Fund is not to address Loss and Damage in its entirety but to at least catalyse support for the myriad of issues that impact general stability across the global south and beyond.

**Nona Budoyan, Board member for Armenia:**

- Stressed the importance of putting in palace a resource mobilisation for the FRLD at the scale and urgency of the needs and to have the strategy ready for adoption at B7.

- She also pointed out the need for the BIM to be implemented in a proper and guided manner and ensure inclusivity for all developing countries with clear benefit for front line communities.

**Jan Dusik, Board member for the EU**

- Highlighted that it was important for the Board to enhance the FRLD's active observer policy.

- Regretted that civil society did not have all the documents for B6 and agreed that there was still room for improvement on the release of documents.

- On resource mobilisation, he agreed that it needed to be taken very seriously. Referring to the informal meeting of the Board on 8th July, he suggested that all

Board members have work to do to scale up the FRLD (this could be seen as pointing to the EU's position of expanding the contributor base to include developing countries with large economies). And called to look beyond traditional government resources to innovative sources of finance.

- On Access modalities, it is important not to create multi speed access to the Fund and to ensure that it is accessible to all vulnerable countries that need to access the Fund (not that the EU has previously pushed for prioritisation of SIDs and LDCs as vulnerable countries).

- Highlighted that the capacity of the Secretariat is important for the EU, including in relation to the engagement of observers.

- Stressed that the EU is championing a bottom-up country-led bottom up process with community at the center.

- He also pointed to the need for environmental and social safeguards standards at the local level and possessed the question of how the Santiago Network could be utilized.

- Highlighted the role of science and how to engage researchers on how to assess the projects that the FRLD will support.

- On direct budget support, he highlighted that some things can be done in a short term and others can be carried out in a long term and this can help in how to stage the process through pre-approved pipelines immediately and moving to broader lines.

**Mohamed, Board member for Egypt**

- Commended civil society for bringing a reality check to everyone in the room.

- Requested civil society to bring a greater diversity of observers, in particular those who are impacted including refugees and climate migrants.

- Shared appreciation for civil society for reminding the Board as to why the Fund was created, the difference between a fund and bank, how solidarity is different from investment, and how Loss and Damage is different from development.

- Called on the secretariat to work on the documents and work towards operationalising the Fund.

- Shared his expectation of civil society which is to bring in elements on how to differentiate this Fund from existing Funds like the GCF and the Adaptation Fund and to hear communities' experience when dealing with those funds. “What are communities and countries facing when it comes to access and that is what the Board needs to hear by pointing out what the main issues are. Some of the civil society representatives were also involved in the creation of other funding entities such as the GCF and the Board needs to hear that experience.”.

- Possessed three questions to civil society in light of the Board having fiduciary responsibilities for whoever is going to be provided for by the FRLD and the need for minimum social standards. The questions were:

    - From the experience of civil society, how are we going to operationalise access for communities?

    - How will local communities work through their governments? (“Recognising that at the end of the day, we deal with governments and entities, and the Board needs to understand how to reflect on that.”)

    - What other standards civil society thinks will be the minimum to help the Board to be able to fulfil and respond to what is happening to be able to provide?

- Called on the Board specifically the developed countries Board members to be engaged on the issues raised by civil society.

**Elena Pereira, Board member for Honduras**

- Emphasized on the need to make the Fund operational and that it should come from raising the alarm, working on building policies in respect to having the World Bank as a host and trustee but it is the Board that holds the pen in creating and establishing the criteria and the power of who is enabled to access the Fund.

- Stressed that as the Board of the Fund, they have the responsibility to ensure that all developing countries are eligible to access the Fund and that goes into what are the policies that will be created and getting it right from the beginning.

- Highlighted that the BIM will inform the long term vision of the Fund and the need to get it the BIM right and how this goes hand in hand with the resource mobilisation strategy, precisely because the Fund will not operate on 250 million USD. “It is a Fund that needs to be designed from the scale that we need it to

operate in."

- She also emphasised the need to work out how to enable governments and be able to work at community level. Which is bringing in elements of who are the entities who are accredited at local level and have gone through the process and at the same time, how to enable the community to engage at government level as it is the governments who will be responsible for endorsing and approving the projects for the Fund. It is important that the process is with the Board but it is also important to ensure that these conversations are also done at national level.

**Laurence Ahoussou, Board member for Canada**

- Highlighted the importance of working with communities and for the Fund to keep working on the development of small grants and modalities for community engagement, including in the design of solutions.

- Echoed some of the sentiments shared by Mohammed of Egypt on the value of civil society inputs on how innovative this fund can be when it comes to community access.

- On concerns of the representation of the private sector, she flagged that in many countries, small and medium countries are the core/heart of social fabric and are involved in facing losses and damages and responding. This is why the Fund should consider innovative sources and the diversity in terms of who is at the table in terms of tools, instruments as well as the open mindedness in terms of the proposals being received to be able to support countries to develop their own country approaches.

- Stressed that Canada is committed to the development and growth of this Fund and that resources should come from various sources.

**Adao, Board member for Timor L'este / LDC Chair**

- Stressed that this Fund is unique and different from the previous funds, like the GCF, GEF, Adaptation Fund and others.

- Stressed that direct budget support is one of the ways the FRLD will be different. looking forward to the support not only at global level but even for governments to come up with national mechanisms.

- Posed the question to civil society on how they are going to engage national governments to develop their national Loss and Damage mechanisms to help them

get direct budget support.

- On the resource mobilisation strategy, highlighted that the current availability of resources is far from enough and stressed that he is looking forward to support from other partners and the need to apply the principles of climate justice and to scale up the Fund.

- On BIM implementation, highlighted that it is an urgent need for the LDCs and how as Board members they will have a decision to speed up the operationalisation process to get it done before Belem.

**Richard Sherman, of South Africa Co-Chair of the Board of the FRLD**

- Made very clear that the documents for the BIM that civil society referred to in their interventions have no legal status and are not being considered at the moment: "The documents have no legal status, they are not being considered by the Board at the moment. They have not been released formally, only shared with the constituencies of the Board."

- He also pointed out that the Board is in a situation where it needs the help from civil society, both practically and intellectually, as the Board has failed twice to consider the observer policies for the FRLD and to deliver consultations to the standard expected. He asked if the Board could consider working with the active observer group that is engaging with the FRLD as co-conever of those consultations to ensure that they were meaningful and inclusive. Highlighting that the work would still be in the hands of the Secretariat of the FRLD, but co-convened by the active observer group. "I put that out to the Board."He also stressed that it would be an error to continue the implementation of the BIM without consultations.

**Laurence Ahoussou, Board member for Canada**

- Taking the floor for the second time to clarify on her intervention, she made it clear that her intervention was not to mention any financial commitment by Canada at this point.

- Canada is committed to see the Fund grow in scale.

## ***Responses from Observers***

Observers were then given the opportunity to respond to the questions and comments made by Board members. Responses included:

**Liane Schalatek of Heinrich Boll Foundation, Washing ton D.C**

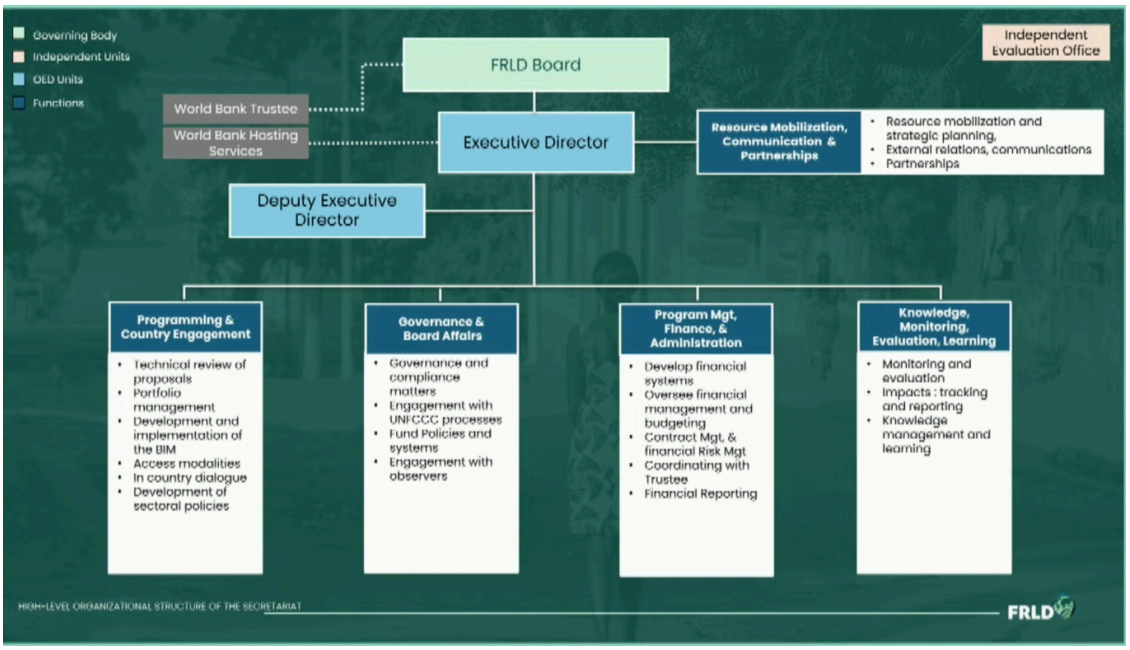
- On the experience of civil society of engaging with other Funds, Liane highlighted that the experience of engaging with the setting up of other funds is helping civil society to raise flags and point out issues, including in the proposals made for the BIM, so that the Board does not make the same or similar mistakes made by other funds.
- Made clear that civil society has already done amazing work and shared a detailed submission on how community access could work.
- Informed the Board that civil society is also preparing a submission of case studies for the Board, containing dozens of case studies that will demonstrate how community access can work and the required financial mechanisms.
- Accepted the invitation from the Board for civil society to work as co-creators of some of the policies in the lead up to B7.
- On how to enable communities to engage on the government level, she urged the Board to look into the guidelines for focal points. Stressing that focal points must play an important role in the implementation of FRLD projects and do much more than signing no objection letters. Indicating that they should be responsible as coordinators for managing national response to Loss and Damage and national coordination including with micro, small, and medium enterprises (MSMEs)
- Liane also pointed to the history of the GCF and how its focus on the private sector is a focus on large scale investment and equity, and how the Fund can do better than this.
- Stressed the importance of starting engagement with micro, small, and medium enterprises (MSMEs) at the national level and how this does not require the Board to have an active observer seat for the private sector. Posting that this seat would likely be occupied by a bank rather than representatives of MSME's, as in the case of the GCF.

**Tasneem Essop of Climate Action Network International**

- Welcomed the invitation by Co-Chair, Richard Sherman, on co-convening consultations with civil society. "We are absolutely ready".

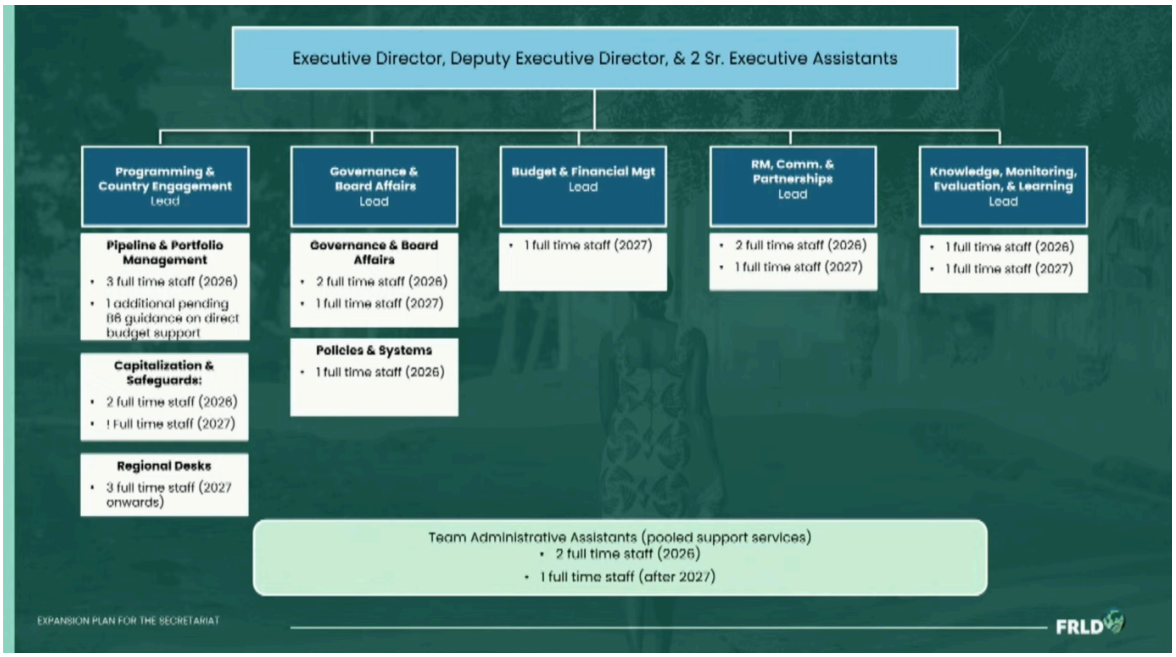
# Agenda Item 6: Establishment of the new, dedicated and independent Secretariat

Under this agenda item the Board will discuss the ongoing work to transition from the interim secretariat (made up of representatives from UNDP, UNFCCC, and the GCF) to the independent secretariat of the FRLD.



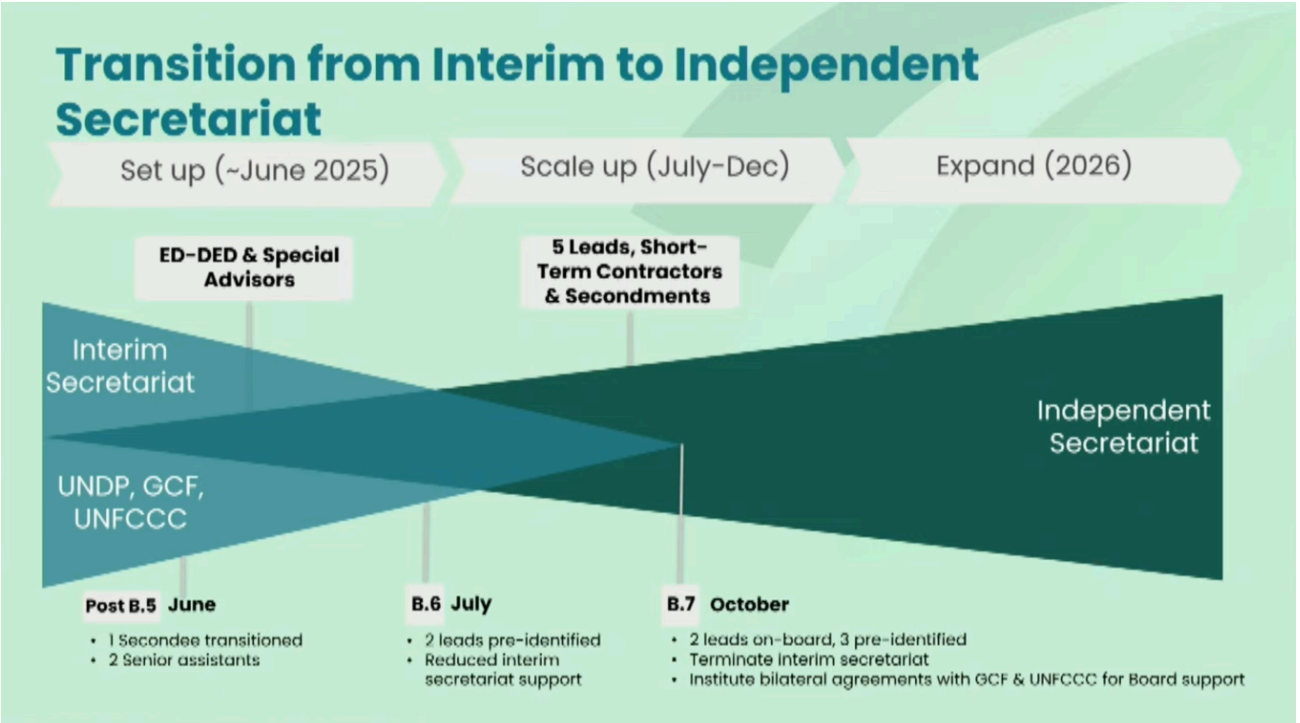

Under this agenda item the Executive Director (ED) presented an updated organisational structure for the FRLD.

At the start of the presentation the ED addressed several concerns released by the Board at B5. These included the question of whether the Secretariat will have the capacity to implement the BIM (yes), if the ED and Deputy ED will oversee all staff (yes). He also spoke to what is needed to ensure that the transition from interim secretariat to dedicated independent secretariat could be completed by the B7 deadline, including the importance of putting in place a management of governance and Board affairs.




The ED then explained that at B5 the Board approved the hire of 5 leads, and the Secretariat is now breaking down what the different units will actually do so they can deliver. For example under programing and country engagement there are certain positions that are important for the BIM and the development of long term policies. On the governance and Board affairs it will be important to look at what staff is needed for 2026 and 2027 following the transition. The Secretariat is working with the budget committee of the Board on a more detailed stalking plan and budget implications which will be subject to approval by B7. What has been approved so far, which is being executed, is the hire of 5 leads to support the work of Secretait.


The ED then gave an update of where the Secretariat is at in terms of filling up the positions that the Board has approved. The Deputy ED has been hired and is at B6. On the two functional leads, Governance and Country Engagement, the recruitment process has been launched, and they are close to completing that process. The Deputy ED will lead the panel for recruitment and the ED will ultimately make the decision. The same thing will happen with governance and Board Affairs. The ED also confirmed the intention to recruit by the end of this year the three additional functional leads and that those positions had been advertised. On the rest of the staff for 2025-2027, the recruitment will happen after the Secretariat gets approval from the budget committee of the Board at B7. The ED also highlighted the diversity of the staff from both developing countries and developed countries, Africa and Asia and the intention to have increased diversity with staff from other regions including the Caribbean. The Role of the ED is both strategic and operational, the division of responsibility is clear. The ball park figure for the size of the Secretariat is 23 staff members, but the ED was hesitant to say this would be the final number, the budget implications will be shared with the budget committee of the Board.




On the transition from interim Secretatiat to dedicated independent Secretatiat, the ED confirmed that the Secretariat is committed for this to be completed by B7. The transition will be challenging but they think they can deliver. The scaling up will be facilitated by bringing in the 5 leads and also consultants and other secondaries.

On the hire of consultants and consulting firms and secondees, the ED briefed the Board on the way the Secretariat is bringing them in. The ED stressed that at B4 the Board authorised the budget to bring in consultants. According to the ED, the new development is that the Board appears to be supporting the bringing in of additional expertise on Loss and Damage in supporting implementation of the BIM and the Secretariat is happy to implement that as well. The Secretariat is happy to provide to the Board the details of what consultants are doing at the Secretariat so that the Board can be confident. On managing the extension of the Secretariat, the independent Secretariat will be fully in charge.

Following the presentation the Board moved into an executive session (a closed session) to hear from the budget committee of the Board.


L&DC
THE LOSS AND DAMAGE COLLABORATION