THIRD MEETING OF THE BOARD (B3) OF THE FUND FOR RESPONDING TO LOSS AND DAMAGE (FRLD)

18 – 20 September 2024, Baku, Azerbaijan

Notes Taken by:

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Day 1: WEDNESDAY, 18th SEPTEMBER

Provisional Agenda for the day

Opening Remarks

The meeting began with opening remarks from the COP27 President Designate, who emphasized the significant human and economic impacts of climate change, citing Super Typhoon Yagi's devastation in Asia. He highlighted the financial toll on African countries, with some losing up to 5% of GDP and diverting around 9% of budgets to address climate issues.

Beginning of the Official Session

The board co-chair Richard Sherman officially opened the session by expressing optimism about advancing the operational framework by Friday and acknowledged the COP29 presidency's support, stressing the importance of completing key institutional tasks mandated at COP28. Richard noted the progress made since April in readying the fund, thanked the Philippine government for legal support as the board host, and acknowledged board member transitions and temporary replacements.

A provisional agenda was adopted, scheduling deliberations over three days. Wednesday focused on Executive Director (ED) selection discussions, held in a confidential session due to sensitive information. The aim was to make substantial progress on the Fund's operationalization and adopt a draft decision for board member replacements. The agenda included ED deliberations on Wednesday, a review of the FIF documentation on Thursday, and a wrap-up on Friday.

Co-chairs closed the session to observers

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DAY 2: THURSDAY, 19TH SEPTEMBER

Provisional Agenda for the Day

The full day was closed to observers

DAY 3: THURSDAY, 11TH JULY

Board co-chair Jean-Christophe started the day with observer dialogue, and welcomed the representatives of the constituencies to present their interventions. He explained how the co-chairs already had meeting with civil society and explained the nature of the closed session to them. He emphasized that they do value observer views, adding how they also included observers in an informal discussion on the business model on the 17th.

CSO Dialogue

The CSO observer representatives made interventions on the following points -

- **FIF Agreement and World Bank Hosting Concerns:**
  The Environmental Non-governmental Organization (ENGO) representative expressed concerns about the World Bank's (WB) role in hosting the Fund, given the WB's past performance in similar roles. They requested transparency regarding the WB's capacity to meet Fund requirements, the timeline for decisions, and the independence of the new Secretariat, seeking assurances that innovative staffing would better serve affected communities rather than replicating WB models. Cost recovery was also a concern, with CSOs urging clear terms to avoid excessive charges, particularly for smaller grants aimed at community-level support.
- **High-Level Dialogue and Event Planning:**
  The Trade Union Non-Governmental Organizations (TUNGO) representative recommended that the objectives of the 2025 High-Level Dialogue be narrowed to include specific goals, such as defining the Fund's vision, assessing the financial landscape, and enhancing community access. They emphasized the need for political commitment and cautioned against diluted outcomes due to broad, unfocused agendas.
- **Observers' Engagement and Procedures:**
  The Women and Gender Constituency (WGC) representative underscored the need for transparency and proposed rules to enable broader observer involvement in meetings and committees. They advocated for hybrid meeting formats, financial support for observers from developing countries, and improved document access, translation, and interpretation for inclusivity. CSOs requested

prompt sharing of decisions and meeting documents, highlighting the value of observer insights in governance.

- **Board Report to COP29 and Agenda Priorities**
  WGC representative asked for clarity on agenda items for B4 and emphasized a focus on access modalities to ensure that resources reach the communities most affected by climate change. They suggested a framework discussion for access modalities that supports both community-led initiatives and national-level programs.
- **Business Model and Funding Challenges:**
  TUNGO representative stressed the importance of a grant-based model focused on frontline communities, favoring direct funding channels and innovative sources over conventional banking mechanisms. They voiced concerns about limited progress in resource mobilization despite urgent needs, urging a robust strategy aligned with equity principles. CSOs also pushed for accessible and predictable funding, including long-term financial planning and commitment from developed countries.

In addition to this, constituencies also stated their official positions.

FARMER's constituency representative called for active observer status for farmers, as they are heavily impacted by climate-related events, emphasizing their role in L&D governance and need for direct fund access.

LGMA (Local Government and Municipal Authorities) constituency also called for the inclusion of sub-national entities in funding discussions and stressed structured participation for local actors and migrants.

The CSOs highlighted the demand for transparency, direct community support, and sustainable funding strategies, with a focus on accountability and inclusivity at all levels of Fund operations.

The board members gave the following feedback –

Jens emphasized the urgency **of operationalizing the fund by year-end** and acknowledged the board's record speed in addressing complex tasks. He **invited ideas for early action projects that demonstrate critical gaps and discussed clarifying observer engagement**, noting that broad stakeholder involvement and practical application ideas are essential.

Djibril highlighted the **importance of making the fund relevant at the local level**, with a focus **on supporting farmers and addressing the disconnect between central and**

local efforts. He regretted closed sessions and stressed the value of CSOs' hands-on experience, advocating for continued and expanded CSO participation.

Jan welcomed CSO input, acknowledging the need for open sessions in the future, while **Rebecca** emphasized **involving affected communities in fund design**.

Laurence supported **the push for local-level engagement and expressed interest in a continuum approach that balances direct access with government partnerships**. **Mohammad** voiced **support for open sessions and highlighted the critical role of CSO feedback in ensuring equitable fund access**, noting improvements needed in observer and travel policies for balanced participation.

Gerard called for CSO insights **on business models, particularly around addressing disproportionate impacts on girls and women**.

Daniel Lund emphasized that the **High-Level Dialogue (HLD) should set a clear direction and prevent fragmentation, focusing on scaling resources and aligning visions**. He underscored the **importance of addressing smallholder farmers' needs, given their key role in global food security and climate vulnerability**.

Madeleine called for **applying the principle of subsidiarity to ensure local ownership**, and **Lauren** stressed the **need for evidence from global south organizations to inform fund strategies.**

Sebastian and Elena defended the **necessity of closed sessions for reaching consensus but reiterated the commitment to transparency and complementarity**, calling for ideas on synergizing efforts across related climate bodies.

CSO representatives, including **Claire and Harjeet**, emphasized the importance of direct and community-level access, **proposed a workshop on access models,** and reiterated that the **fund should reflect the polluter-pays principle**, urging **clarity on financial commitments and operational priorities**.

Jean-Christophe confirmed these proposals would be considered for upcoming discussions.

Agenda Item – COP/CMA Report

Rebecca raised concerns about inaccuracies in the pledge table with new pledges not being reflected in it. **Richard** responded that adding Dubai pledges should be straightforward, as they are already reflected. Regarding Para. 6, Richard was open to removing the summary of views if needed.

Jan mentioned minor editorial corrections, particularly updating the EU contribution in the table, and flagged placeholders in Para. 51 and a clarification needed in Para. 58.

Mohamed sought confirmation on the report version under review and emphasized noting the importance of convening a high-level dialogue in 2024, advocating for its alignment with COP29/CMA6.

Jose echoed the need for transparency in the pledges table, advocating for a comprehensive listing of all pledges, not limited to those from Dubai.

Lando noted that the table on the COP28 website covers Dubai pledges and new ones mentioned in Para 16, with currency conversion considerations. **Richard** suggested renaming the table for clarity to distinguish COP28 pledges from others.

Rebecca emphasized the importance of a consolidated pledge total with standardized currency conversion. **Richard** agreed, proposing an updated table as of September 20, with editorial adjustments.

Jose agreed with this approach, while **Mohamed** requested that annexes accurately reflect the discussions without implying finalized decisions. **Richard** clarified that the report is a factual update and that the summary of discussions across the Board will be omitted in future reports, with specifics around ESS discussed separately.

Djibril approved of a two-table format distinguishing COP28 pledges and other commitments, along with an overall total. With these agreements, **Richard** confirmed the first report was adopted.

Agenda Item – Report to the Interim Secretariat

Lando introduced the interim secretariat's report, thanking the government of Azerbaijan for hosting and noting the secretariat's collaboration and ongoing efforts toward swift operationalization of the fund.

Since B2, the secretariat has delivered on several fronts, including the **work plan, the publication of seven informational documents, facilitating board consultations, and organizing observer sessions for B3.** They **also supported sub-committees on the AROP, budget, and ED selection and assisted co-chairs with host country agreements**.

Additionally, the secretariat is preparing for **the high-level dialogue launch event in coordination with the UNSG's office and the COP29 presidency**.

Richard expressed appreciation for the secretariat's hard work and acknowledged the significant workload.

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Agenda Item – Report to Co-Chairs on the Additional Rules of Procedures

Claire explained that the committee has met virtually to review feedback and explore bridging proposals, though some issues remain unresolved. The sub-committee plans further discussions over lunch and aims to present findings at B4.

Elena suggested adopting the final procedures at B4.

Richard outlined a clear pathway for progressing the board's plan, including scheduled consultations and webinars, and encouraged board members to share input when prompted. The board then agreed to take note of the committee's report.

Agenda Item – Report of the Second Meeting of the Board

The report was adopted without any comments

Agenda Item – Report of the Co-Chairs

The discussion focused on the selection of the host country for the Board, with a report to be submitted detailing ongoing negotiations with the Philippines regarding the host country agreement, which is progressing well.

Jean Luca updated that the Philippine government has granted the necessary legal authority for signing the host country agreement, which has been published but is not yet in effect. **Richard** indicated that if the agreement is signed within the next two weeks, it would be included in the COP report as an addendum.

The group then addressed the name and reference for the Fund, where **Richard** clarified that while the name "Fund for Responding to Loss and Damage" was accepted, there was confusion over the acronym.

Mohamed emphasized the importance of keeping "Responding" capitalized in "FRLD." **Adao** and others supported this preference, arguing that it conveys a proactive stance. Ultimately, **Richard** announced that "FRLD" with an uppercase "R" would be the official acronym.

Jan urged members to use the full title of the Fund for clarity. **Mohamed** concluded by stating that the matter of the name had been resolved and urged the Board to move on to three outstanding decisions: the High-Level Dialogue, FIF arrangements, and the recent decision on the Executive Director.

<u>The board moved to a closed session format for Executive Director discussion</u>

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Agenda Item – Date & Venues

The Board's discussion focused on scheduling future meetings, with **Richard** proposing **B5 for February 25-28, B6 for July 8-11, and B7 for October 7-10.** **Barbados and Zambia** expressed interest in hosting B5 and B6, respectively, while **Nepal** offered to host B7. Concerns about scheduling conflicts with Ramadan and the GCF were raised, with calls for informal gatherings to accompany the meetings.

The Board reached a consensus on holding at least two meetings per year in the Philippines, and **Richard** suggested confirming offers from interested countries in writing. The need to balance the meeting schedule with budget considerations was acknowledged, with plans to finalize arrangements in future discussions.

Adopted Dates & Venues –

B4: 2-5 December 2025 – Philippines
B5: 8-10 April 2025 – Barbados
B6: 9-11 July 2025 – Philippines
B7: 8-10 Oct 2025 – Philippines

SUMMARY OF ACHIEVEMENTS FOR B3

Richard highlighted key achievements, including the World Bank's (WB) interim hosting of the Fund for the FIF and Secretariat, which will be communicated to COP Presidents. An embargoed decision on the Executive Director (ED) of the new independent secretariat allows contract negotiations with the WB to begin.

The Board adopted essential FIF-related documents, including host and trustee agreements, to be signed by the co-chairs. They also endorsed the first report to COP/CMA and a concept note for the inaugural high-level dialogue (HLD) to be launched at COP29.

Richard reflected on the Board's accomplishments over the past six months, including the establishment of the Board, the designation of the Philippines as the host country, and completion of key documents, all while fulfilling COP mandates. JC praised the Board's teamwork and efficiency. **Richard** concluded by thanking the team and the COP29 presidency for their support.