

Summary

Seventh Meeting of the Board of the Fund for Responding to Loss and Damage (FRLD)

Date: 7-9 October 2025 | **Location:** Manila, Philippines



The seventh meeting of the Board (B7) of the Fund for Responding to Loss and Damage (FRLD) was held from 7 to 9 October 2025 in Manila, Philippines. The meeting focused on advancing the remaining policy and operational elements needed to prepare the FRLD for implementation. Key discussions at B7 included the adoption of the **2026 Workplan and Administrative Budget** of both the Secretariat and the Board, as well as major decisions to further **operationalize the Barbados Implementation Modalities (BIM)**—covering the funding cycle, initial funding criteria, access modalities, and the list of eligible access entities. These decisions move the FRLD toward launching its **first call for proposals at COP30**. The Board also reviewed matters related to institutional strengthening, including the establishment of the independent Secretariat, updates on the performance evaluation of the Executive Director, and refinements to the Board’s 2026 workplan. The full provisional agenda of the meeting is available [here](#).

Agenda Item 1: Opening of the Meeting

The meeting started with the Co-Chairs of the Board inviting Raphael P. M. Lotilla, as the Secretary of the Department of Environment and Natural Resources of the Philippines, to give his remarks. On behalf of President Ferdinand R. Marcos Jr. and the people of the Philippines, Secretary Raphael Lotilla extended a warm welcome to participants of the B7 in Manila. He reaffirmed the Philippines’ solidarity with all climate-vulnerable nations, emphasizing that their survival and resilience depend on the Fund’s effectiveness.

Secretary Lotilla underscored that the Fund’s ability to deliver hinges on adequate capitalization. While pledges so far have been encouraging, they remain far below the **global estimated needs of USD 200–400 billion annually by 2030**. He recalled the recent high-level side event co-organized by the Philippines and the FRLD during the UN General Assembly, which sought to mobilize financial and political momentum. He reiterated that substantial, predictable, and sustainable financing is critical for the Fund to achieve its mandate. He further stressed the importance of ensuring accessibility and operational clarity, noting that the BIM must deliver

support that is timely, country-driven, and responsive to those most affected. Finally, he called for the Fund to work in coherence with the broader loss and damage architecture, coordinating with other technical and financial institutions. Secretary Lotilla concluded by urging the Board to work collectively to ensure that the FRLD becomes adequately resourced, fully operational, and effective where it matters most, expressing confidence that the meeting would contribute meaningfully to that goal.

Co-Chair Richard Sherman opened the B7 FRLD by expressing gratitude to Secretary Rafael Lotilla and the Government of the Philippines for their hospitality and support, as well as for co-hosting the high-level side event during the UN General Assembly. He extended condolences for the recent disasters affecting the Philippines, emphasizing how these events reinforced the urgency of the Fund's work. The Co-Chairs reaffirmed the Board's commitment to operationalizing decisions under the governing instrument and the BIM to ensure an early start to the Fund's activities. Co-Chair Jean-Christophe Donnellier joined in acknowledging the host country and urged members to work efficiently to deliver outcomes despite tight timelines. The Board then proceeded to welcome new and alternate members, recognizing the contributions of outgoing ones, and formally including active observers in the session.



Agenda Item 2: Organizational Matters

The Board has circulated the [FRLD/B.7/1/Rev.1 document](#), which contains organizational matters, inter alia report of the sixth meeting of the Board, report of the Secretariat, workplans and administrative budgets of the FRLD for 2026, and operationalizing the Barbados Implementation Modalities. **The agenda was adopted without objections.**

Agenda Item 3: Report of the Sixth Meeting of the Board

The Board circulated the [Report of the Sixth Meeting of the Board](#) on 13th of September 2025, and no comments have been received. **The document was adopted.**



Agenda Item 4: Board decisions proposed between the sixth and seventh meetings of the Board

The [FRLD/B.7/2 document](#) has been circulated by the Board. The Board members proposed to the Board to change the B7 date and approved between B6 and B7 without a Board meeting. The proposed decision BM-2025/01 was shared with the Board on 18 August 2025 for a seven-day no-objection period, which ended 25 August with no comments received. After notifying observers on 20 August, the decision was deemed approved and circulated on 27 August 2025. This decision will be documented in the report of the seventh meeting (B7), as outlined in paragraph 52 of the Rules of Procedure. The FRLD/B.7/2 **document was approved** with no objection raised.

Agenda Item 5: Report of the Secretariat

The Board members discussed the [Report on the activities of the Secretariat](#) (Agenda Item 5(a)), including the execution of the administrative budget (Agenda Item 5(b)), and the [Report by the interim Trustee on the status of FRLD Trust Fund Resources](#) (Agenda Item 5(c)). The reports presented by the Executive Director of the FRLD, Ibrahima Cheikh Diong.



Since the B6 meeting, the Secretariat has made significant progress in advancing its institutional and operational foundations, among others:

1. The Secretariat **successfully transitioned from the interim secretariat to the independent secretariat** based in Washington, D.C., marking a major step in establishing the Fund's permanent institutional structure and ensuring its readiness to deliver the Board's mandates;
2. The **execution of the Secretariat's budget has increased** in line with its expanding responsibilities, staffing, and activities, with close monitoring to ensure efficient and effective use of resources in delivering the Board's priorities;
3. Following the Board's guidance, the Secretariat has **strengthened partnerships with key institutions**, including with the World Bank, Multilateral Development Banks (MDBs), Santiago Network, and Warsaw International Mechanism for Loss and Damage (WIM), to enhance coordination and ensure efficient delivery of support to countries most affected by climate change;
4. Under the Board's guidance, the Secretariat has **advanced resource mobilization** by converting pledges into contributions and developing a long-term strategy, while expanding outreach through a multilingual website, high-level events, and digital platforms;
5. The Secretariat has **built the foundation of its communication platforms**, launched a multilingual website (English, French, and Spanish) **and strengthened its digital presence**, particularly on LinkedIn, to enhance visibility, accessibility, and engage a broad range of stakeholders;

6. The Secretariat **adopted a strategic, cost-effective regional engagement approach by participating in key events**, such as the African Climate Summit and the Pacific Climate Forum, strengthened partnerships and visibility ahead of COP30. These efforts have helped sustain momentum and elevate the Fund's profile, with several heads of state referencing it during the UN General Assembly, signaling the growing global recognition and support;
7. The Secretariat **advanced work on the BIM by preparing key papers and integrating consultation feedback** to ensure readiness for funding request by COP30. In parallel, it strengthened observer engagement through inclusive participation, regular consultations, and plans to formalize these efforts via an observer policy framework and designated a dedicated observer relations focal point.

The Board took note of the information provided by the Secretariat, including the report on the execution of the 2025 administrative budget and the status of resources.

Highlight Item Agenda 5:

Report of the Secretariat

- The Secretariat **successfully transitioned from the interim secretariat to the independent secretariat**, establishing its permanent institutional structure.
- The **execution of the Secretariat's budget has increased** in line with expanding responsibilities, staffing, and activities.
- The Secretariat **strengthened partnerships with key institutions** to enhance coordination and effective support delivery.
- It **advanced resource mobilization** by converting pledges into contributions and developing a long-term strategy, while expanding outreach.
- The Secretariat **built the foundation of its communication platforms and strengthened its digital presence** to enhance visibility and stakeholder engagement.
- It **adopted a strategic, cost-effective regional engagement approach by participating in key events**, elevating the Fund's global profile.
- The Secretariat **advanced work on the BIM by preparing key papers and integrating consultation feedback** to ensure readiness for upcoming funding requests.

Agenda Item 6: Workplans and administrative budgets of the FRLD for 2026



(a) Workplan of the Secretariat and administrative budgets of the FRLD

The Board considered [FRLD/B.7/5 document](#) – Workplan of the Secretariat and Administrative Budgets of the FRLD for 1 January-31 December 2026. The Secretariat presented **a total budget of USD 13,5 million, reflecting a 24% increase from 2025**, to accommodate expanded responsibilities and staffing as the FRLD transitions from establishment to implementation. The breakdown includes **USD 10,6 million for the Independent Secretariat, USD 1,6 million for the Board, USD 1 million for the interim Trustee, and USD 300,000 for contingency.**

In presenting the budget, the Executive Director (ED) emphasized three key drivers that shape the Secretariat's 2026 work plan:

1. **Accelerating Fund Optimization and BIM Delivery**, including the development of the Operational Manual, Results Measurement Framework, Monitoring and Evaluation (M&E) Framework, and Risk Management Framework for Direct Budget Support;
2. **Advancing the Long-Term Institutional Model**, covering governance, budgeting, and recruitment to achieve a sustainable structure by 2027;
3. **Enhancing Resources Mobilization and Communications**, focusing on converting pledges to contributions, launching the second High-Level Dialogue in 2026, and strengthening outreach and visibility.

Board members commended the Secretariat's progress and the Budget Committee's review, while noting several concerns. They highlighted the **high reliance on short-term consultants** and urged a faster transition to permanent staff, ensuring institutional knowledge retention and cost efficiency. Members also requested a clearer link between budget allocations, deliverables, and recruitment plans.

The Budget Committee requested the Secretariat to further evaluate the **World Bank Cost Recovery system, as the 20,45% charged appeared to have been applied to all costs rather than direct expenses**. The Secretariat committed to revising this for future cycles in consultation with the Budget Committee. Further comments urged prioritization of **internal capacity building and regional engagement efficiencies**, particularly through coordinated workshops and partnerships with regional events to minimize travel costs.

After deliberation, the Board adopted [Decision B.7/D.1](#), approving the 2026 workplan and administrative budgets of the FRLD. **The decision authorized the Secretariat to execute the contingency budget in consultation with the Budget Committee and to present a progress report and additional requests as needed in 2026.**

Highlight Agenda Item 6 :

Workplan of the Secretariat and administrative budgets of the FRLD

- The Secretariat presented a **total budget of USD 13.5 million, reflecting a 24% increase from 2025**, including **USD 10.6 million for the Independent Secretariat, USD 1.6 million for the Board, USD 1 million for the interim Trustee, and USD 300,000 for contingency**.
- The Executive Director emphasized three key drivers for 2026:
 1. **Accelerating Fund Optimization and BIM Delivery**, including development of key operational and risk management frameworks.
 2. **Advancing the Long-Term Institutional Model** to ensure sustainable governance, budgeting, and recruitment by 2027.
 3. **Enhancing Resources Mobilization and Communications**, focusing on converting pledges into contributions and strengthening outreach and visibility.
- The Budget Committee requested further evaluation of the **World Bank Cost Recovery system**, noting that the 20,45% charged appeared to have been applied to all costs rather than direct expenses only.
- Further comments urged prioritization **internal capacity building and regional engagement efficiencies**.
- **The decision authorized the Secretariat to execute the contingency budget in consultation with the Budget Committee and to present a progress report and additional requests as needed in 2026.**



(B) Workplan of the Board

The Board considered [FRLD/B.7/6 document](#) – Workplan of the Board for 2026, outlining the key deliverables, sequencing, and priorities for the year, with an outlook extending into 2027.

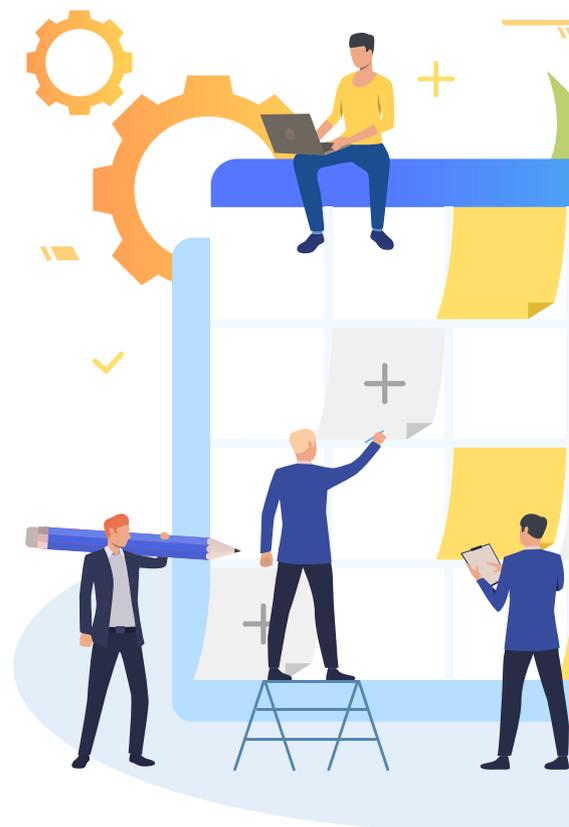
The Co-Chairs emphasized that the workplan reflects mandates arising from prior Board decisions and provisions of the [Governing Instrument \(GI\)](#), while balancing ambition with feasibility given the Board’s limited number of meeting days per year. The plan is to keep the workplan as a living document, to be updated regularly following each Board meeting.

Discussions focused on refining the **structure, sequencing, and clarity of planned activities**, including the implementation of the BIM and preparations for the first call for proposals. Members sought greater granularity in the timeline of deliverables to support coherent implementation and effective progress monitoring.

Several members called for reinstating a **two-year planning horizon** or, at minimum, extending the outlook to include deliverables beyond B10. They also proposed adding specific milestones for the development of **fiduciary standards, safeguards, and program/project cycle policies** to ensure proper sequencing. A suggestion was made to include placeholders for the **review of the Policy on Ethics and Conflicts of Interest** (targeted for B8) and for addressing outstanding elements of the **Rules of Procedure**, particularly those relating to decision-making between meetings and procedures under [Paragraph 17 of the GI](#).

A major discussion point related to **rapid disbursement**, with developing country members underscoring that it should be treated as a distinct access modality under [Paragraph 49 of the GI](#)—which requires an early, standalone policy discussion before B10. Some developed country members viewed it as an operational principle to be embedded in the Secretariat key performance indicators (KPIs) instead. The Co-Chairs noted that **lessons from BIM disbursement at B9 should inform guidance to be discussed at B10**.

Members also reiterated the importance of timely circulation of documentation—at least 21 days prior to meetings—to facilitate consultation with national capitals and suggested expanding **inter-sessional work modalities** to manage the growing workload while maintaining inclusivity. Several members also encouraged the **Secretariat to circulate early drafts of complex technical documents to allow more time for review and consultation with national capitals**, noting that this would support more effective and inclusive decision-making.



Further deliberation continued, which the **updated workplan** was circulated incorporating feedback from the plenary. The revised plan lists activities and deliverables for **B8, B9, B10**, as well as deliverables for **2027**. Members welcomed the clearer structure but sought further clarification on the use of terms such as “**adopt**” and “**consider**,” emphasizing that the latter does not define a clear course of action for the Board. A developing country member cautioned that **the heavy concentration of deliverables at B10 and end-2026** would require additional Secretariat capacity.

Members further called for **separation between work on modalities for rapid disbursement and triggers for clarifying access to various sources of support**, noting that the two issues serve different operational functions. A developed country member also proposed adding a reference to [Paragraph 22\(i\) of the GI](#), to clarify the background of those tasks.

The Board adopted the updated workplan through [Decision B.7/D.2](#), approving the Workplan of the Board for 2026. The decision requests the Secretariat, in consultation with the Budget Committee, **to develop recommendations on Commitment Authority (CA) management** and to report back at B8. The Co-Chairs will maintain a rolling update to the workplan following each subsequent meeting.

Highlight Agenda Item 6 :

Workplan of the Board

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- Discussions focused on refining the **structure, sequencing, and clarity of planned activities**, including implementation of the BIM and preparations for the first call for proposals.
 - Several members called for reinstating a **two-year planning horizon**, proposed adding specific milestones for the development of **fiduciary standards, safeguards, and program/project cycle policies**, as well as suggested to include placeholders for the **review of the Policy on Ethics and Conflicts of Interest** (targeted for B8) and for addressing outstanding elements of the **Rules of Procedure**.
 - A major discussion concerned **rapid disbursement**, which should be treated as a distinct access modality under **Paragraph 49 of the GI**, which requires an early, standalone policy discussion before B10.
 - The Co-Chairs noted that lessons from BIM disbursement at B9 should inform guidance to be discussed at B10.
 - Members suggested expanding **inter-sessional work modalities** to manage the growing workload while maintaining inclusivity and also encouraged the **Secretariat to circulate early drafts of complex technical documents to allow more time for review and consultation with national capitals**.
 - The **updated workplan** lists activities and deliverables for **B8, B9, B10**, as well as deliverables for **2027**.
 - Members sought further clarification on the use of terms such as “**adopt**” and “**consider**”.
 - A developing country member cautioned that **the heavy concentration of deliverables at B10 and end-2026** would require additional Secretariat capacity.
 - Members further called for **separation between work on modalities for rapid disbursement and triggers for clarifying access to various sources of support**.
 - **The Board adopted the updated workplan through [Decision B.7/D.2](#), approving the Workplan of the Board for 2026.** The decision requests the Secretariat **to develop recommendations on Commitment Authority (CA) management** and to report back at B8.

Agenda Item 7: Operationalizing the Barbados Implementation Modalities

Building on progress achieved at B6, the Board resumed detailed negotiations under this item to finalize **key elements of the BIM**. Discussions were organized under four sub-agenda items: **(1) Funding Cycle; (2) Initial Funding Criteria; (3) Access Modalities; and (4) List of Access Entities**. The outcomes marked a major step toward the FRLD's operational readiness and the launch of its first call for proposals.

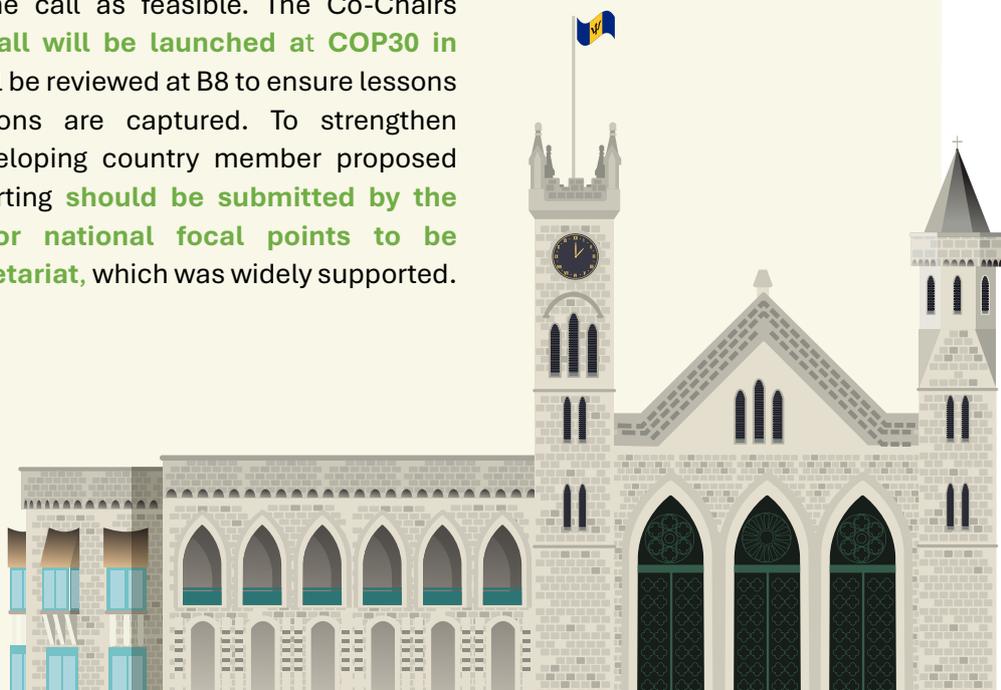


1. Funding Cycle for the Barbados Implementation Modalities

The session opened with remarks from ENGO representative who highlighted their concern that **in the absence of clear guidance, the FRLD risked repeating challenges faced by other funds such as the GCF to effectively supporting developing countries**. The representative noted that rapid disbursement was no longer explicitly reflected in the draft decision on the Funding Cycle for the Barbados Implementation Modalities. This might be interpreted as missing the BIM's pilot phase for testing new ideas and modalities. They urged the Board to consider mandating **the Secretariat to develop a distinct funding cycle for rapid-onset disasters before B8**. Additionally, they emphasized the importance of transparency, including the public disclosure of all funding-related documents, even for proposals that are not approved by the Board. In response, the Co-Chairs stated that these issues had been incorporated into the amended workplan and reiterated that the matter of rapid disbursement was already reflected in the 2026 work program and would be discussed in due course.

Board members broadly supported **the need for flexibility during the pilot phase of the BIM**. A developing country member noted that in the absence of finalized modalities, **project proposals should still be able to integrate rapid disbursement components**. The Co-Chairs responded that **capacity constraints within the Secretariat required a phased approach**, with discussions on the long-term project cycle and rapid disbursement mechanisms to begin at B9 and continue at B10.

Further exchanges centred on the **timeline for the first call for proposals**, with several members suggesting a six-month duration of the call as feasible. The Co-Chairs confirmed that **the call will be launched at COP30 in Belém, Brazil**, and will be reviewed at B8 to ensure lessons from early submissions are captured. To strengthen accountability, a developing country member proposed that the project reporting **should be submitted by the national authority or national focal points to be reviewed by the Secretariat**, which was widely supported.



Highlight Agenda Item 7:

Funding Cycle for the Barbados Implementation Modalities

- The Board resumed detailed negotiations under this item to finalize **key elements of the BIM**, which organized under four sub-agenda items: **(1) Funding Cycle; (2) Initial Funding Criteria; (3) Access Modalities; and (4) List of Access Entities.**
- ENGO representative highlighted their concern that **in the absence of clear guidance, the FRLD risked repeating challenges faced by other funds such as the GCF to effectively supporting developing countries.**
- They urged the Board to consider mandating **the Secretariat to develop a distinct funding cycle for rapid-onset disasters before B8.**
- Board members broadly supported **the need for flexibility during the pilot phase of the BIM.**
- A developing country member noted that in the absence of finalized modalities, **project proposals should still be able to integrate rapid disbursement components.**
- The Co-Chairs responded that **capacity constraints within the Secretariat required a phased approach.**
- Further exchanges centred on the **timeline for the first call for proposals**, with several members suggesting a six-month duration of the call as feasible.
- The Co-Chairs confirmed that the **call will be launched at COP30 in Belém, Brazil**, and reviewed at B8 to capture lessons learned from early submission.
- To strengthen accountability, a developing country member proposed that the project reporting **should be submitted by the national authority or national focal points to be reviewed by the Secretariat**, which was widely supported.
- The [Decision B.7/D.3](#) was adopted, establishing the funding cycle for the BIM and mandating the Secretariat to provide annual progress updates on funding pipelines and implementation.

Members highlighted that the BIM is still in its pilot phase, and the Secretariat must use this period to provide pertinent policies that would enable long-term strategy to deliver adequate response for developing countries' needs. They also called on the Co-Chairs to provide structured opportunities for observer engagement as part of the feedback process. [The Decision B.7/D.3](#) was adopted, establishing the funding cycle for the BIM and mandating the Secretariat to provide annual progress updates on funding pipelines and implementation.



2. Initial Funding Criteria for the Barbados Implementation Modalities



During the discussion of this issue, a developing country Board member emphasized that **Secretariat's outreach and engagement with the national focal points** – such as through training or webinars – **should be covered under the administrative budget** and that this engagement will not affect the eligibility of funding requested by the national focal points.

Board members also highlighted the need for the Secretariat to engage more with the Board, such as involving members in shaping templates, guidelines, and methodologies. They stressed that, instead of only informing the Board on the process, the Secretariat should establish a more interactive feedback mechanism with the Board.

Members also emphasized the need for **consistent and structured reporting throughout the project cycle** to ensure transparency and alignment between proposals, implementation, and monitoring.

Another Board member commented on **the resource allocation** system in accordance with [Paragraph 60 of the GI](#). Paragraph 60 of the GI mentions that minimum percentage of the resource should be allocated to LDCs and SIDS, but it does not specify the amount. Therefore, the draft decision on the Initial Funding Criteria for the Barbados Implementation Modalities should include the reference from [Decision B.5/D.4](#), which emphasized that LDCs and SIDS would receive a minimum percentage allocation of 50%.

There were also discussions on whether **the final version of the funding request template** should be translated into other languages or simply into the official UN languages. The Board then decided to **translate the final version of the template subject to budget availability**. With no more objections raised, the decision is adopted.

Highlight Agenda Item 7:



Initial Funding Criteria for the Barbados Implementation Modalities

- A developing country Board member emphasized that **Secretariat's outreach and engagement with the national focal points** – such as through training or webinars – **should be covered under the administrative budget**.
- Members also emphasized the need for **consistent and structured reporting throughout the project cycle** to ensure transparency and alignment between proposals, implementation, and monitoring.
- Another Board member commented on **the resource allocation** system in accordance with [Paragraph 60 of the GI](#).
- There were also discussions on whether **the final version of the funding request template** should be translated into other languages or simply into the official UN languages.
- The Board then decided to **translate the final version of the template subject to budget availability**.





3. Barbados Implementation Modalities: Access Modalities

The discussion around this issue consists of **the process and modalities for direct budget support (DBS) acceptable to the Trustee and the accreditation of entities that are eligible for access**. The debates focused on accredited entities that meet the administrative standards but have limited project experience, as well as those entities accredited under the Green Climate Fund (GCF), Global Environment Facility (GEF), and Adaptation Fund (AF) that are listed for the BIM but opted to withdraw from the list.

On the issue of process and modalities for direct budget support, Co-Chairs reported consultations with the World Bank and the Trustee to discuss about how direct budget support could be operationalized. The process will start with determining whether a country already accessed funds through the World Bank or IMF. For countries that are not accessing funds from both institutions, the FRLD will examine if there is data available for a country to access funds through bilateral or recognized international agency. If neither option applies, **the Secretariat will commission an external consultancy to do rapid assessment** of the country's fiduciary and environmental and social safeguard (ESS) standards to determine the country's eligibility. Co-Chairs reiterated that the FRLD will assess a country's eligibility for direct budget support **based on the standards of the other international climate funds**.

Co-Chairs also emphasized that besides need the urgency to take decision on the direct budget support, **the Board also need to establish a risk management framework** to assess risks based on the assessment of the country's capacity. The Board therefore decided to **establish an ad hoc or interim Risk Management Committee** – comprising **five members from developed and five from developing country constituencies**. The Committee will provide guidance to the Secretariat in the development of the modalities and risk management framework needed to operationalize direct access via direct budget support through national governments under the BIM. The Committee will serve until the end of the BIM.

Other comments brought up by developing country Board members are regarding the criteria stipulated in the decision where **accredited entity should have at least one approved funding proposal or projects with GEF, GCF, or AF**. Members were concerned that **the number of qualified direct access entities would be significantly reduced by this requirement**. It would penalize entities that have already invested significant effort, including those accredited to the GCF that have spent years preparing to meet accreditation requirements. The Board then **agreed to remove paragraph which indicates the requirement as it creates restriction for entities to access the fund**. Developing country Board members also conveyed their concerns with the list of accredited entities from the LDCs and SIDS, which might not be as many as other regions.

Other comments pointed out by the Board members are regarding the upcoming call for proposals at COP30. The call for proposal must clearly indicate that **the risk management framework for direct budget support remains under development**. Other Board members and the constituencies' representative from LGMA further stressed the need to integrate **community-based small grants and rapid disbursement mechanisms** into the decision for the long-term modalities for the operationalization of the FRLD.

Lastly, a developing country member sought clarification on whether request for direct budget support through national government requires approval from the Trustee, as well as on the respective roles of the Secretariat, the Board, and the Trustee in processing direct budget support requests. The Co-Chairs clarified that **the Trustee's role will be limited to fiduciary and anti-money laundering assessments and the execution of legal agreements on behalf of the Board**, without requiring separate approval of funding requests. The decision is then adopted by the Board, as there are no more objections.

Highlight Agenda Item 7:

Barbados Implementation Modalities: Access Modalities

- The discussion around this issue consists of **the process and modalities for direct budget support (DBS) acceptable to the Trustee and the accreditation of entities that are eligible for access**.
- **The Secretariat will commission an external consultancy to do rapid assessment** of the country's fiduciary and environmental and social safeguard (ESS) standards to determine the country's eligibility.
- Co-Chairs reiterated that the FRLD will assess a country's eligibility for direct budget support **based on the standards of the other international climate funds** and also emphasized that **the Board also need to establish a risk management framework** to assess risks based on the assessment of the country's capacity.
- The Board decided to **establish an ad hoc or interim Risk Management Committee** – comprising **five members from developed and five from developing country constituencies**.
- Other comments are regarding the criteria stipulated in the decision where **accredited entity should have at least one approved funding proposal or projects with GEF, GCF, or AF**.
- Members were concerned that **the number of qualified direct access entities would be significantly reduced by this requirement**.
- The Board then **agreed to remove paragraph which indicates the requirement as it creates restriction for entities to access the fund**.
- The call for proposal must clearly indicate that **the risk management framework for direct budget support remains under development**.
- Other Board members and the constituencies' representative from LGMA further stressed the need to integrate **community-based small grants and rapid disbursement mechanisms** into the decision for the long-term modalities for the operationalization of the FRLD.
- The Co-Chairs clarified that **the Trustee's role will be limited to fiduciary and anti-money laundering assessments and the execution of legal agreements on behalf of the Board**.





4. List of access entities to the Barbados Implementation Modalities

The Board subsequently considered the list of entities eligible for access under the BIM, covering those accredited to the AF, GCF, and GEF. The discussion on this agenda item was around **editorial sentence and removing column indicating “with yes or no approved projects”**, noting that this issue was already addressed under the discussion on the access modalities. The list was approved without further amendment, and the decision was adopted.

Agenda Item 8: Long-term resource mobilization strategy and plan to mobilize financial resources

The decision regarding this issue centred on the expectation to continuing and completing the work around the resource mobilization strategy by the Secretariat. This decision also shows important signal to the international community for funding replenishment. This process should be formally launched at least in B9 and before 2027. The document regarding the replenishment process aims to be discussed in B9 should include inputs to **the replenishment process, status of the Secretariat and capacities, as well as the output**, such as pledging conference or policy contributions to the time frame for the execution.

A representative from the civil society highlighted that submissions will be submitted regarding their engagement as observers in Board meetings. Prior to this, Co-Chairs has mandated a consultation process and request submissions provided by Board members and observers. The civil society representative also emphasized that **the Board has the responsibility to ensure that FRLD is different from other fund mechanisms**, in which should largely be relying on **grant-based source of funding**, although variety of sources are also encouraged to be explored.



Highlight Agenda Item 8:

Long-term resource mobilization strategy and plan to mobilize financial resources

- The document aims to be discussed in B9, should include inputs to **the replenishment process, status of the Secretariat and capacities, as well as the output.**
- The civil society representative emphasized that **the Board has the responsibility to ensure that FRLD is different from other fund mechanisms**, in which should largely be relying on **grant-based source of funding.**
- Other Board members emphasized to **keep the title of “Resource Mobilization Strategy”**, noting that the overall decision will cover inclusive consultation process for the strategy.

Other comments provided by the Board members are around clarifications between the replenishment process and replenishment cycle, as well as way forward after the decision is adopted. A developing country Board member proposed to add “long-term fundraising strategy” on the decision, referred to Paragraph 56 of the GI. Different perspectives then occurred among Board members on the title of the decision. A member from developed country proposed to change the title into “Matters related to Resource Mobilization”, as the decision is a process to get the resource mobilization and how it will feed the following cycle. However, other Board members emphasized to **keep the title of “Resource Mobilization Strategy”**, noting that the overall decision will cover inclusive consultation process for the strategy, including the submissions, as well as this has already been decided in the Workplan of the Board. The Board then agreed to keep the title the same as the initial decision and adopted the decision.

Agenda Item 9: Establishment of the new, dedicated and independent Secretariat: initial organizational structure of the Secretariat

The issue under this agenda item will be deferred to B8.



Agenda Item 10: Report of the Co-Chairs

(a) Procedures for decision-making in the absence of consensus

This issue has been included in the Co-Chairs' report and **no discussion occurred in the room regarding this matter**. The initial draft has been circulated to Board members to consult on how to take decisions in the absence of consensus.

(b) Outcome of the Co-Chairs' consultations with the interim Trustee to identify the modalities for facilitating direct access via direct budget support

The Board took note of document FRLD/B.7/14 titled "Report of the Co-Chairs", including its Annex I titled "Report of the Co-Chairs engagement with the interim Trustee on access entities" and Annex II titled "Report of the Co-Chairs engagement with the interim Trustee on direct access via direct budget support". **No decision was taken under this agenda item.**

(c) Performance evaluation of the Executive Director for 2024-2025

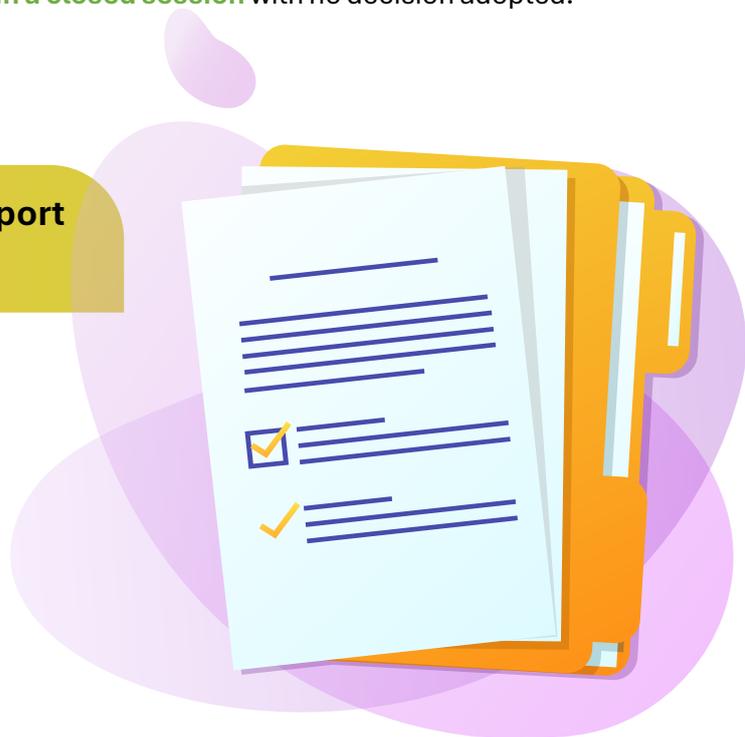
The issue under this agenda item was **held in a closed session** with no decision adopted.

(d) Performance evaluation for the Executive Director for 2025 onward

The issue under this agenda item was **held in a closed session** with no decision adopted.

Agenda Item 11: Addendum to the report of the Board to the COP30 and CMA7

The discussion under this agenda item was not opened. The Co-Chairs reiterated that **the addendum report is subject to the issuance of the compendium of the decision in B7**. The report will be prepared and submitted to the Secretariat of UNFCCC for Parties' deliberations of guidance to the FRLD.



Agenda Item 12: Modalities for complementarity and coherence with the Santiago Network

The background of this agenda is that the GI sets out the roles and responsibilities of the FRLD in terms of coherence and complementarity with new and existing funding arrangements for responding to loss and damage, such as the Santiago network. The Santiago network and its members should contribute to coherence by aligning technical assistance catalysed under the network to build capacity and support the programmatic approaches of the FRLD and the funding arrangements. At B4, the Board requested the Secretariat to develop and present to the Board options and propositions for complementarity and coherence modalities with relevant entities, including the Santiago network. At B5, the Board requested the Secretariat to consider how the collaboration may serve to provide technical assistance for further operationalization of the bottom-up country-led approach of the FRLD. **The technical assistance catalysed by the Santiago network could facilitate access to FRLD funding** – through the preparation of national loss and damage assessments, databases, proposal development and training – and therefore build the foundations for country-led programming and implementation.

At B7, the draft decision with the title of “Country Support System” was presented by the Co-Chairs, which includes **the importance of providing support to developing countries, support for fiduciary principles and standards, as well as environmental and social safeguard**. This decision reflects the proposal introduced by Co-Chairs at B6, which request the Secretariat to present regarding the operationalization of the country support system at B8, and to have regular conversation with Santiago Network. The proposal also includes the budget for the program, country cap, modalities of the support, how the modalities will work, the long-term model to support countries for proposals development, as well as building the understanding on the funding requirements for loss and damage at country level. Board members suggested several editorial comments on the draft decision, including how to ensure synergies with support provided through mechanisms other than Santiago Network, as well as request the Secretariat to initiate the next steps. As no more objection raised, the decision was adopted.

Highlight Agenda Item 12:

- **The technical assistance catalysed by the Santiago network could facilitate access to FRLD funding.**
- At B7, the draft decision that was presented by the Co-Chairs includes **the importance of providing support to developing countries, support for fiduciary principles and standards, as well as environmental and social safeguard.**

Agenda Item 13: Dialogue of the Civil Society

Under this agenda item, representatives from all UNFCCC NGO constituencies were delivering a series of brief interventions with the following points:

- Civil society representatives **urged that the recent International Court of Justice (ICJ) advisory opinion (AO) serve as a guiding framework for the Fund's work.** They emphasized that loss and damage is fundamentally a human rights issue, requiring that all Fund policies be grounded in the **principles of equity, accountability, and the right to remedy.** They also conveyed that countries have a legal duty to provide resources at scale under the principle of **common but differentiated responsibilities (CBDR),** while affected communities must have direct and equitable access to funding. They noted that the ICJ AO provides a legal and moral foundation for shaping the Fund's approach to resource mobilization, funding criteria, and access modalities;
- Civil society criticized the draft resource mobilization strategy as lacking ambition, concrete targets, and alignment with the urgency of the climate crisis. They **called for the Fund's strategy to be rooted in climate justice principles,** especially the polluter pays and equity principles. Guided by scientific evidence estimating annual loss and damage needs between USD 395-937 billion annually, they proposed three key actions: **1) ensure that all loss and damage finance is 100% grant-based, non-debt creating, and predictable;** **2) set an ambitious, science-based goal toward USD 400 billion annually;** and **3) mobilize resource primarily through public finance from developed countries,** supplemented by innovation levies, such as climate damages or financial transaction taxes;
- Civil society **demanded stronger transparency and openness in the Fund's operations.** They urged the Secretariat to publish full assessments of all funding proposals, including those not approved by the Board, to enable early and meaningful stakeholder engagement. They argued that transparency should not be constrained by private sector confidentiality. Civil society **calls for a dedicated rapid-response mechanism capable of disbursing funds within 48 hours of a climate-related disaster to replace the traditional and bureaucratic funding cycles.** Citing Pakistan's delayed flood response as an example, they **emphasized that the BIM should pilot simplified, grant-based access models to ensure timely, debt-free relief for communities at the frontlines;**
- Civil society stressed that **country ownership must extend beyond governments to include community-led, inclusive, and participatory processes.** They called for affected people to shape project design, decision-making, and monitoring, citing Fiji's Climate Relocation Fund and Ghana's Women Development Fund as models for effective, locally rooted approaches. They urged that impact be measured not by efficiency or scale, but by justice, dignity, and repair, with innovation focused on local capacity and solidarity rather than complex financial instruments. They reiterated that **grants are the only fair financing modality,** and that **environmental, gender, and human rights safeguards are enablers of justice,** not conditionalities;
- Civil society expressed concern that the World Bank's interim hosting arrangement risks in bureaucratic hurdles and undermining the Fund's founding principles of justice, empowerment, and country ownership. They **called for direct, inclusive, and equitable access for vulnerable groups,** especially women and Indigenous peoples, and urged the Board to implement paragraph 49(d) of the Governing Instrument, which mandates **small**

grants for communities and Indigenous groups. They also **called for simplified and rapid access procedures**, ensuring funds reach affected populations within days of a disaster, and excluding commercial banks and fossil fuel-linked institutions from the implementing roles;

- The civil society emphasized the local governments' frontline role in responding to climate disasters, urging the Fund to operationalize local access and include a dedicated urban and subnational component within the project criteria. They **called for recognizing cities and municipalities as access entities and formalizing their participation in observer modalities**, ensuring that local leaders and authorities can play a central role in designing and implementing loss and damage solutions.
- The Farmers Constituency reiterated their **request for a permanent active observer seat**, citing the disproportionate climate impacts on agriculture and the essential role of farmers as both victims and solution providers. They stressed that **farmers should receive equal recognition alongside other groups**. The representative also called for clearer terminology in the observer policy to distinguish between "communities" and "constituencies," and reaffirmed farmers' commitment to inclusive and participatory governance.

Highlight Agenda Item 13

- Civil society representatives **urged that the recent International Court of Justice (ICJ) advisory opinion (AO) serve as a guiding framework for the Fund's work.**
- All Fund policies be grounded in the **principles of equity, accountability, and the right to remedy.**
- Civil society **conveyed that countries have a legal duty to provide resources at scale under the principle of common but differentiated responsibilities (CBDR).**
- Civil society **called for the Fund's strategy to be rooted in climate justice principles.**
- Civil society proposed three key actions: **1) ensure that all loss and damage finance is 100% grant-based, non-debt creating, and predictable; 2) set an ambitious, science-based goal toward USD 400 billion annually; and 3) mobilize resource primarily through public finance from developed countries.**
- Civil society **demanded stronger transparency and openness in the Fund's operations.**
- Civil society **calls for a dedicated rapid-response mechanism capable of disbursing funds within 48 hours of a climate-related disaster to replace the traditional and bureaucratic funding cycles, by emphasizing that the BIM should pilot simplified, grant-based access models to ensure timely, debt-free relief for communities at the frontlines.**
- Civil society stressed that **country ownership must extend beyond governments to include community-led, inclusive, and participatory processes.**
- Civil society reiterated that **grants are the only fair financing modality, and that environmental, gender, and human rights safeguards are enablers of justice, not conditionalities.**
- Civil society **called for direct, inclusive, and equitable access for vulnerable groups, which mandates small grants for communities and Indigenous groups.** They also **called for simplified and rapid access procedures.**
- Civil society **called for recognizing cities and municipalities as access entities and formalizing their participation in observer modalities.**
- The Farmers Constituency reiterated their **request for a permanent active observer seat**, and they stressed that **farmers should receive equal recognition alongside other groups.**

Board members responded to the civil society's active participation with appreciation, acknowledging the essential role of the civil society in shaping the Fund's direction, with the following responses:

- Several members welcomed the ICJ AO, recognizing its importance in clarifying the country's obligations on climate change, human rights, and loss and damage. They **agreed that the Fund's policies and resource mobilization strategy should reflect these principles and invited civil society to provide a technical paper on how the ICJ AO could guide the Fund's operations.** Members viewed this as an opportunity to reinforce the Fund's ethical and legal foundation, ensuring its work remains grounded in accountability, equity, and global solidarity;
- Board members emphasized the urgency to **finalize the observer policy by B9 in a transparent, evidence-based, and inclusive manner.** Members further stressed that the observer policy must institutionalize meaningful representation of women, youth, Indigenous Peoples, and other vulnerable communities, recognizing that **effective engagement is essential not only for inclusion but also for accountability, justice, and equity** within the Fund's governance;
- Several members emphasized the **need for a more ambitious and justice-driven resource mobilization strategy,** aligning with civil society's call for bottom-up approaches rooted in data and community needs. They **agreed that replenishment efforts should focus on restoring affected communities to pre-impact conditions** rather than pursuing new development goals. Members also stressed the importance of **establishing shorter funding cycles and rapid-response mechanisms to ensure timely assistance during climate disasters.** They highlighted that predictable and effective resourcing will be vital to sustaining the Fund's credibility as it advances the full operationalization of the BIM;
- Members reached strong agreement that **the Fund must remain firmly country-owned and community-driven.** They emphasized that **country-ownership should be reinforced through participatory, bottom-up approaches that empower local actors,** especially women, Indigenous Peoples, and marginalized groups. Several members **called for mechanisms to provide small and community-level grants,** in line with paragraph 49(d) of the Governing Instrument, while ensuring the implementation aligns with the Secretariat's evolving capacity. Members also highlighted the vital role of local governments as first responders to climate disasters, **stressing the importance of direct access mechanisms that channel finance swiftly to those most needed.** Overall, they agreed that the Fund must stay agile, inclusive, and responsive to community realities;
- Members broadly agreed that **complementarity should promote cooperation and coordination** rather than restrict access to funding. They emphasized that alignment with other loss and damage mechanisms must strengthen, not impede, countries' ability to access support. **Safeguards on environment, gender, human rights, and Indigenous People were highlighted as enablers of justice and transparency** and should be fully integrated into the Secretariat's operations and capacity-building efforts. Members also underscored the need for policy coherence, stressing that entities investing in fossil fuels

as unsuitable partners and reaffirming that the Fund's operations must align with the Paris Agreement and the principle of climate justice;

- Members **reaffirmed the need for the Fund to operate with urgency, innovation, and justice**. They emphasized that the FRLD's mission is to restore communities and deliver tangible results under the BIM, building public trust and credibility. Overall, the Board members **agreed that the FRLD should distinguish itself from traditional, slow-moving mechanisms** by becoming a fast, just, and community-centered fund capable of delivering real impact for those most affected by the climate crisis.

Highlight Agenda Item 13

- Board members **agreed that the Fund's policies and resource mobilization strategy should reflect these principles and invited civil society to provide a technical paper on how the ICJ AO could guide the Fund's operations**.
- Board members emphasized the urgency to **finalize the observer policy by B9 in a transparent, evidence-based, and inclusive manner**.
- **Effective engagement is essential not only for inclusion but also for accountability, justice, and equity** within the Fund's governance.
- Several members emphasized the **need for a more ambitious and justice-driven resource mobilization strategy**.
- They **agreed that replenishment efforts should focus on restoring affected communities to pre-impact conditions** and also stressed the importance of **establishing shorter funding cycles and rapid-response mechanisms to ensure timely assistance during climate disasters**.
- Members reached strong agreement that **the Fund must remain firmly country-owned and community-driven**. They emphasized that **country-ownership should be reinforced through participatory, bottom-up approaches that empower local actors**.
- Several members **called for mechanisms to provide small and community-level grants**.
- Members were **stressing the importance of direct access mechanisms that channel finance swiftly to those most needed**.
- Members broadly agreed that **complementarity should promote cooperation and coordination** rather than restrict access to funding.
- **Safeguards on environment, gender, human rights, and Indigenous People were highlighted as enablers of justice and transparency** and should be fully integrated into the Secretariat's operations and capacity-building efforts.
- Members **reaffirmed the need for the Fund to operate with urgency, innovation, and justice**.
- Overall, the Board members **agreed that the FRLD should distinguish itself from traditional, slow-moving mechanisms**.

Agenda Item 14: Dates and venues of meetings of the Board in 2027

The discussion under this agenda item was not opened.



Agenda Item 15: Election of Co-Chairs for 2026

As of B7, **the developing country constituency has not nominated any candidate**, and until December 31st, 2025, incumbent representatives will continue to serve as Co-Chairs.



way Forward

B8:

The Secretariat :

- Develop the **funding request template, guidelines and assessment methodology** for reviewing funding request, and present the assessment methodology for consideration to be adopted by the Board;
- Develop the **modalities and the risk management framework** required to operationalize direct access via direct budget support through national governments under the BIM, to be considered and adopted by the Board; and
- Develop and present to the Board for its consideration, a **proposal on a country support system** under the BIM.

The Board:

- Will consider the **recommendations on the management of the Fund's commitment authority** developed by the Secretariat;
- Will review the submission **time frame of the call for funding request**; and
- Will review and extend access beyond MDBs to other entities accredited to the AF, GEF, and the GCF for **direct access via direct budget support**.

Beyond B8:

The Co-Chairs:

- Prepare a **draft resource mobilization strategy** for consideration by the Board at **B9**, with the support of the Secretariat and in consultation with the Board; and
- Prepare a decision for consideration by the Board at **B9**, to formally launch the **first replenishment process** which will be started in 2027, with the support of the Secretariat and in consultation with the Board.

The Secretariat:

- Will provide a report and analysis on the **application of the funding criteria to funding request submitted, including lessons learned**, for reference by the Board no later than at **B10**;
- As part of the operationalization of the Fund, to present at **B10** for the Board's consideration on the **lessons drawn from the process between the Secretariat, the Board and the interim Trustee, and modalities for access under the BIM** through entities accredited to the AF, GEF, and the GCF; and
- Presents an **annual status report on the approved funding request and their status**.

Future Board meetings:

The Secretariat (at each Board meeting):

- Reports back the progress on the **conversion of pledges to fully contribution**;
- Presents the **funding request submitted by the national authority or focal point** to the Board for their consideration for approval; and
- Presents a status report that provides an **overview of the pipeline of all funding request submitted**, including those that are not presented for consideration by the Board and those that did not meet the eligible activities for funding.

The Co-Chairs:

- Update the **workplan following each meeting of the Board**.