

Summary

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

Date: 9-11 July 2025 | **Location:** Cebu, Philippines

The sixth meeting of the Board (B6) of the Fund for Responding to Loss and Damage (FRLD) was convened from 9 to 11 of July 2025, in Cebu, Republic of the Philippines. This meeting was **focused on advancing key elements required to operationalize the FRLD**. The meeting brought together Board members and their alternates representing developed and developing countries, as well as observers from UN organizations, intergovernmental organizations, and non-government organizations. Several key agenda items discussed at B6 including the **operationalization of the Barbados Implementation Modalities (BIM)**, which includes discussions on **funding criteria, project cycle processes, and interim guidance on the role of National Designated Authority (NDA)**. **Progress was made** on matters related to **stakeholder engagement**, including the development of an active observer policy, the potential establishment of consultative forums, and broader participation mechanisms. The Board also reviewed and provided input to the **Report of the Board to the thirtieth session of the Conference of the Parties (COP30) to the UNFCCC and the seventh session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 7)**. In addition, the Board held a dedicated Dialogue with Civil Society and discussed **the establishment of the FRLD's new and independent Secretariat**. The full provisional agenda items of the meeting can be accessed through [this link](#).

Agenda Item 1: Opening of the Meeting

The B6 formally opened in Cebu, Philippines, which is hosting the event for the second time. Cebu was highlighted as an island highly vulnerable to climate change impacts, including heat waves, extreme weather, and typhoons, making it a highly relevant location for the meeting. As the meeting started, the Co-Chairs of the Board invited Ibrahima Cheikh Diong as the Executive Director of the FRLD and Rafael P. M. Lotilla as the Secretary of the Department of Environment and National Resources of the Philippines to give their remarks. The Co-Chairs and Diong extended gratitude to the government of the Philippines for their hospitality. Diong also expressed solidarity with the people of the Philippines, commending their resilience in the face of climate impacts. He shared reflections from his visit to typhoon-affected areas, which **reinforced the Secretariat's dedication to deliver meaningful support and affirmed the importance of advancing the implementation of the BIM**.

Lotilla highlighted the establishment of the BIM as a critical milestone and welcomed the allocation of **an initial USD 250 million to support its start-up phase**. Framing the BIM as the start-up phase of the FRLD, he noted that this initial capital represents a vital lifeline for countries experiencing severe climate impacts but facing acute capacity constraints. President Ferdinand R. Marcos Jr.'s message underscored the immense responsibility that now rests with the Board, emphasizing that **the FRLD was created for vulnerable people and must remain anchored in empathy, urgency, and purpose**. His remarks urged that **the FRLD must be swift, accessible, and human-centric, evolving into a mechanism that delivers not only financial support but also lasting policies, strength, and solidarity to a warming planet**. In closing, he reaffirmed the Philippines' commitment to climate justice and called on the international community to help sustain the FRLD and uphold its promises.

Agenda Item 2(a): Adoption of the Agenda

The Co-Chairs presented the [provisional agenda](#) for adoption. Several Board members expressed concern that **the agenda had been circulated only six days prior to the meeting, in contravention of the 30-day requirement stipulated in the Board's Rules of Procedure**. The Secretariat was urged to avoid such delays in future meetings to ensure adequate preparation time. Despite this concern, **the agenda was adopted** without objection.

Agenda Item 2(b): Organization of the Work of the Meeting

The Board welcomed Matildhe Bord-Laurans, the new Deputy Executive Director, to her first official meeting. Several changes to Board membership were acknowledged, including both permanent replacements and temporary designations for B6. Notably, **the vacant seat previously held by the United States representing developed countries – following its withdrawal at the fifth meeting (B5) – was filled by Australia**, restoring full representation from the developed country constituency. **At B6, a resignation from an alternate member from New Zealand was also noted, with a replacement yet to be nominated.** Observer participation remained open and consistent with the standard procedure, with all nine constituencies to the UNFCCC represented in the room.

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

The Board reviewed [the report of the fifth Board meeting](#). This report had been **circulated to the Board on July 7, 2025**, and **no comments were received** from the Board members. **The report was adopted without objection.**

Agenda Item 4: Establishment of a Budget Committee of the Board

This agenda item was not taken up for discussion during the B6 and no decision was adopted under this agenda item. The Board shall take note the [report](#) on the **execution of the 2025 administrative budget as of April 30, 2025**, as adopted in B5, as well as the information provided by the Secretariat regarding their activities from 26 March to 7 July 2025. The activities are:

1. **Organizing and delivering the first annual high-level dialogue** on 25 April on the margins of the 2025 Spring Meetings of the World Bank Group and the International Monetary Fund;
2. Advancing the **transition from the interim secretariat to the independent Secretariat** by B7. The Secretariat has finalized its organization structure based on a phased staffing need for 2025-2027, with the total of 23 permanent staff could be recruited in 2025-2026 phase, subject to budget approval at B7. The Secretariat also supported the Budget Committee for B6 preparation and the execution of the administrative budget from 1 January to 30 April 2025;
3. Enhancing **strategic partnerships**, including initiating a resource mobilization strategy. The Secretariat collaborate with the WIM ExCom and Santiago Network in Bonn for the preparation of the Strategy of the Santiago Network, as well as having consultations regarding the operationalization of the BIM. The Secretariat also engaged with the World Bank beyond its role as interim Trustee. This includes the collaboration with teams working on disaster risk management and exploring sectors impacted by slow onset events, such as agriculture and food security;
4. Strengthening the **FRLD communication platforms**. The Secretariat has established FRLD website, produce an ongoing quarterly newsletter, and engage on key social platforms such as X and LinkedIn;
5. Developing the **proposal for the BIM**, including consultations with the Board and observers and other stakeholders. The Secretariat has developed a set of seven papers in response to the Board's request in [decision B.5/D.4](#) and has conducted consultation on the framing paper with the Board and Observers on 23 and 24 June 2025. The Secretariat further engaged in consultations with the interim Trustee, WIM ExCom and the Santiago Network, as well as other entities in the funding arrangements regarding potential areas of collaboration.

Agenda Item 5: Operationalizing the Barbados Implementation Modalities

At B5, the Board asked the Secretariat to develop a **framing paper for operationalizing the Barbados Implementation Modalities (BIM)** to be discussed at B6 and adopt a draft decision based on the discussions. The document consists of: 1) initial project/programme cycle; 2) initial project/programme funding criteria and results measurement framework; 3) initial access modality; 4) direct access via direct budget support; 5) the terms of reference for the call for

proposals and/or funding requests; and 6) draft guidelines for the designation of a national authority or national focal point. Unfortunately, the document was not shared with the public.

A. Project or programme cycle

On **project or programme cycle**, one developing country representative emphasized the need for environmental, social safeguards, and gender components in proposals, and how these would be evaluated. Other developing country representative proposed to include framework agreements to allow countries continue the ongoing engagement with FRLD when new funding arises, without requiring new proposals or agreements.

B. Initial funding criteria

The Board discussed the **five funding criteria: 1) country-led and country-owned approaches; 2) complementarity and coherence; 3) result and impact for responding to loss and damage; 4) sustainable development and the eradication of poverty; 5) financial effectiveness and leverage**. Many developing countries expressed concerns regarding the innovation, replicability, and scalability of the result and impact for responding loss and damage criteria, as these were inappropriate for addressing loss and damage due to the context-specific nature. Some developed countries highlighted the need to achieve a 50% allocation to SIDS and LDCs under the BIM, calling for additional prioritization. A developed country representative requested clarification on the funding proportion for communities, especially the partially vulnerable ones, and stressed the importance of prioritizing direct access for the most vulnerable groups.

The **developing country Board Members arguing that some of the indicators of the funding criteria are unidentified, unquantified, very generic, and do not have process**. Members also underlining the importance of quantifying and clarifying some words on the table of criteria, such as “effective involvement”, “ensure efficiency”, “effectiveness and sound financial management”, “complementarity and coherence”, and “utilizing existing national and regional systems and financial mechanisms”. **Specific identification is also required for climate-vulnerable communities and Indigenous People, as well as relevant institutions and stakeholders**. In response to the comments, the Co-Chairs emphasizing that the FRLD is currently at its pilot phase and the initial allocation of USD 250 million will allow the Secretariat to learn and develop long-term operational model of the FRLD. Those elements are not required to be fulfilled by the proposed developing countries in this phase and the indicators are not a “pass or fail” criteria. Therefore, more detailed on each element will identify along with the operationalization after the Board agree to the core principle stated in the text. On the other hand, **Members from developed countries commented on the BIM delivery team, put a specific minimum allocation floor for the funding criteria of the BIM, and inconsistency of the use of key terms**. A member from developed country also highlighted that country-led approaches are relatively different for each country. Hence, it can be considered to have **certain standards from the Board on form of engagement in the country**. A representative from the Women and Gender Constituency concerned that the Board is already discussing how to limit or prioritize proposals based on the USD

250 million budget and troubling to see that at the BIM grants are still a modality that needs to be defended or needing to prove that they are filling a gap. **The Board should not be looking at the problem of having too many proposals but should focus on not having adequate money on the table.**

C. Access modality

Board members did not discuss about the access modality, however, CSOs raised some concerns regarding this topic in the Dialogue with Civil Society (Agenda Item 13).

D. Direct access via direct budget support

On the direct budget support decision, the debate was around deleting the word “bottom-up” since the developing country Board Member did not see the language in the Governing Instrument, and the sentence of “allowing developing countries that are particularly vulnerable to the adverse effects of climate change to directly access the fund”. Members from developing countries argued that the word “particularly vulnerable” should be deleted since all developing countries are eligible to access the fund. However, members from **developed countries stated that the fund is not for everyone and stressed the importance to prioritize the fund to LDCs and SIDS**. Discussion was continued with some of the Members proposed to refer to the World Bank for not specifically categorized developing countries, such as particularly vulnerable. Therefore, **the decision was adopted with all developing countries shall be eligible for directly accessing the fund.**

E. ToR for the funding proposals

Board members did not address this topic during the discussion.

F. Draft guidelines for the NDA

The Board also discussed the **guidance on the National Designated Authority (NDA) or focal points and a draft decision to adopt the guidance**. A developed country representative requested the focal point to seek synergies with other focal points to ensure the FRLD funding proposals are coherent with other projects. Other developed country representative inquired whether the role of focal point should also ensure the inclusion of the most vulnerable communities. A Co-Chair suggested to include a clarification of the role of the Secretariat in the decision.

The decision on B6 is to give further guidance about the designation authority, as well as functions and responsibilities of the focal points. Each focal point shall maintain one primary senior-level and at least two secondary technical-level to have the responsibility of submitting a request for funding and responsible for the interaction and coordination with the Secretariat. Comments were raised from Board Member from developed countries to add some words on the reason of the establishment of focal points. Another member from developed country sought clarification on the budgeting from the Secretariat to provide guidance and maintain regular communication with the focal

points. A Budget Committee member explained that **many of decisions taken regarding the appointment of the focal points will require reallocation budget approved by the Board** and the Budget Committee will discuss with the Secretariat on the actual budgetary implications ahead of B7. The Board Member reminded again on the Secretariat's actual capacity for maintaining regular communications with the focal points, such as the small number the staffs with the recruitment process is currently ongoing. Other comments raised by Board Members were around **clarification of the functions and responsibilities of the focal points, procedure of the access modalities, and the title of the decision to include NDAs and/or focal points**. Decision regarding the NDA and/or focal points was adopted.

Agenda Item 6: Establishment of the New, Dedicated and Independent Secretariat: Organizational Structure of the Secretariat

At B5, the Board had considered the Secretariat's initial work plan outlining the proposed organizational structure, core functions, and staffing roadmap. Based on the feedback received at that session, the revised organizational structure was presented at B6 by the Executive Director (ED) of FRLD, as contained in [Annex I to document FRLD/B.6/2](#). **The presentation emphasized five key areas of feedback from B5 that had guided the revisions.** First, **the Board reaffirmed that strategic responsibility over resource mobilization, partnerships, and communication should remain directly with the ED**, who continues to lead the development of the FRLD's resource mobilization strategy, expected by B7. Second, while the recruitment of a Deputy Executive Director was welcomed, the ED was asked to retain an operational oversight role and confirmed that **he and the Deputy ED had jointly defined a functional division of responsibilities, which is progressing effectively**. Third, **the organizational structure of the new, dedicated, and independent Secretariat of the FRLD was revised to support expedited implementation of the Barbados Implementation Modalities (BIM)**, notably through the creation of a Programming and Country Engagement unit responsible for proposal processing, technical review, and oversight of funded activities. Fourth, the Board urged **acceleration in staffing optimization**, building on the resources approved at B5 to recruit initial functional leads. Lastly, the ED was requested to provide greater clarity on anticipated staffing growth over the next one to two years.

The structure presented included five core units: (1) **Programming and Country Engagement**, which will oversee funding pipelines, access modalities, and country dialogue; (2) **Governance and Board Affairs**, tasked with ensuring the independent Secretariat is ready to assume full responsibility after B7; (3) **Budget and Financial Management**, intentionally kept lean to minimize overheads; (4) **Regional Desks**, designed to support geographically diverse engagement and governance support; and (5) **Knowledge, Monitoring, and Evaluation**, which will focus on impact reporting and institutional learning.

The recruitment processes for functional leads in Governance and Programming were already underway, with three additional leads targeted for hire by year-end. Broader recruitment for staff covering 2025–2027 will follow pending budget approvals. The ED reiterated his commitment to diversity, noting current staff include nationals from Africa, Asia,

and Latin America, and affirming efforts to further broaden representation, particularly from the Caribbean. While a precise staffing projection was deemed premature, **a preliminary estimate of around 23 full-time staffs was shared**, with detailed projections to be submitted to the Budget Committee for B7.

As part of the institutional update, the Executive Director (ED) reaffirmed the Secretariat's commitment to completing the transition from the interim arrangement, hosted by the World Bank, to a fully independent Secretariat by the B7. While the formal transition remains underway, the ED described the current working relationship is functioning as “almost one Secretariat”, reflecting the high degree of operational integration and collaboration already achieved between the interim and independent teams.

While acknowledging the complexity of the transition, the ED expressed confidence in the team's ability to deliver. The scale-up of the new, dedicated, and independent Secretariat of the FRLD will be supported through the recruitment of five functional leads, along with the strategic use of consultants and secondees to strengthen the operational capacity. The ED also briefed the Board on the approach to engaging consultants and external expertise. He recalled that at its fourth meeting (B4), the Board had authorized budget provisions for bringing in consultants. A new development, as noted by the ED, is the **emerging support from the Board to mobilize additional technical expertise on Loss and Damage, particularly in support of implementing the Barbados Implementation Modalities (BIM).** The Secretariat welcomed this direction and expressed readiness to provide transparency regarding the roles and contributions of consultants and secondees, thereby ensuring Board's oversight and confidence. The ED further clarified that the independent Secretariat would retain full responsibility for managing its expansion moving forward.

Following the presentation, the Board entered an executive (closed) session to receive a briefing from the Budget Committee.

Agenda Item 7: Long-term Resource Mobilization Strategy and Plan to Mobilize Financial Resources

Board members raised on the last day that this agenda item has not been discussed although included in the provisional agenda. Co-Chairs stated that there was a mistake and have prepared the draft decision on process for the strategy with consideration to the inputs from the Dialogue with Civil Society agenda item. The decision taken is to formally make a procedural decision requesting the work to be done by B7. **Decision was then adopted by the Board Members.**

Agenda Item 8: Report of the Co-Chairs

The Co-Chairs' report consists of their activities since the B5, including updates on the ongoing performance evaluation of the Executive Director for the period of November 2024 to June 2025. The evaluation was conducted in coordination with the World Bank's Vice President for the Planet. The Co-Chairs also reported on their role in guiding preparations for the FRLD's First Annual High-Level Dialogue, held in Washington, D.C., in April 2025, under the theme “complementarity, coherence, and coordination.” In support of operationalizing the BIM, the Co-

Chairs engaged closely with the Secretariat, to shape the framing and technical papers. Additionally, they facilitated Board consultations on the Resource Mobilization Strategy. The Co-Chairs further participated in informal coordination with the leadership of the Santiago Network Advisory Board and the Warsaw International Mechanism Executive Committee, exploring approaches to enhance collaboration across loss and damage institutions. **The Board took note of the Co-Chairs' report.**

Agenda Item 9: Report of the Board to the COP30 and CMA7

The Board members considered the draft of the [report of the Board](#) and discussed the approach for finalizing the report to be submitted for consideration at COP30 and CMA7. The report contains the actions that the Board have taken to **implement the guidance on policy programs and eligibility criteria**, and the **progress made towards implementing the governing Instruments of the Fund**. **The Board approved the draft with no objections** and agreed to request the Secretariat to submit an addendum to the report that will include the summary of the final outcomes of the B7 as an addendum for a second report.

Agenda Item 10: Performance management process for the Executive Director

This agenda item was listed on the provisional agenda as part of the Board's ongoing oversight responsibilities. It builds on the mandate given at the B5, where the Board requested the Co-Chairs to lead the performance evaluation of the Executive Director (ED) for the 2024–2025 cycle, and reaffirmed the need to establish a forward-looking performance management system anchored in results-based indicators. The discussion under this agenda item was held on a **closed session**.

Agenda Item 11: Status of Resources

The Board received a formal update from the interim Trustee, the World Bank, on the status of resources in the FRLD Trust Fund as of 27 June 2025. As detailed in the report, a total of **USD 661.19 million has been pledged by 26 countries and the European Union**, of which **USD 358.41 million has been deposited into the Trust Fund and USD 302.78 million remains outstanding**. Notably, **new contribution agreements have been signed by Australia, Finland, and Ireland, with additional cash contributions received from Australia, Canada, Ireland, Portugal, and the Republic of Korea**. The Government of Japan has fully met its USD 15 million pledge, disbursed via both the FRLD Trust Fund and the UNFCCC Secretariat to support operationalization during the transitional period. **The update also reaffirmed the Board's previous decision to allocate USD 250 million to the start-up phase of the BIM.**

Agenda Item 12: Matters Related to Active Observers and Other Stakeholders

A recall was placed on the decision of B4, where the Board agreed for priorities and asked the Secretariat to do the work related to the active observers and other stakeholders. Some challenges occurred with the consultation process because of the lack of staff and support. The Co-Chairs emphasized the need to clarify consultative mechanisms as the BIM is started to operationalize. There are 4 paragraphs in the draft decision, including inclusive iterative

consultations with the nine observers and constituencies; request Secretariat with the nine observer organizations to co-convene the consultations; ask for the Budget Committee appropriation to ensure the B4 decision regarding blanket approach is resourced; and a paragraph related to the Budget Committee. **The overall decision is to reinforce the mandate that was given to the Secretariat, to collaborate with active observer organizations to help organize the consultations to ensure the blanket approach can be implemented.** The “blanket” approach allows observer organizations already accredited to the UNFCCC, other operating entities of the financial mechanism of the Convention and similar organizations, may be recognized as accredited observer organizations of the FRLD. The representative from Women and Gender Constituency, raised that it may affect the budgetary implication when reaching out and bring in other stakeholders for the consultation. A response was brought from the Budget Committee that they will discuss on that matter. **Decision was adopted with no more comments raised by the Board members.**

Agenda Item 13: Dialogue with Civil Society

The dialogue session with civil society was held on the first day of the sixth meeting to ensure that stakeholder inputs could meaningfully inform deliberations. Representatives from all nine UNFCCC NGO constituencies were present and delivered comprehensive interventions on five key areas: **resource mobilization, implementation of the BIM, community access, observer participation, and the role of local governments.**

- On **resource mobilization**, civil society expressed deep frustration at the slow pace and limited scale of contributions, emphasizing that the FRLD remains “almost completely empty,” with only USD 358.41 million paid in, less than 0.1% of the USD 395 billion in projected needs for the Global South in 2025 alone. They stressed that **the challenge lies not in capacity, but in political will**, and underscored that **the FRLD must be seen not as aid, but as reparations grounded in principles of climate justice and equity**. Specific demands for the long-term strategy includes a **legally grounded approach based on the polluter-pays principle and common but differentiated responsibilities; clear and time-bound commitments by B7; conversion of all pledges into contributions; periodic replenishment cycles; prioritization of grants-based public finance; and exclusion of private sector leverage mechanisms that might compromise equity**. Civil society also called for **diversified, redistributive funding sources**, such as fossil fuel taxation and international tax cooperation, and a clear rights-based definition of eligible finance.
- In relation to **operationalizing the BIM**, civil society raised concerns about **access modalities that may unintentionally exclude many developing countries**, particularly through arbitrary limitations on implementing entities or requirements tied to prior agreements with World Bank Financial Intermediary Funds. The exclusion of over 100 GCF-accredited direct access entities was cited as a significant concern. Civil society further criticized the inclusion of policy-conditional direct budget support and financing criteria centred on “financial leverage”, warning that such approaches risk replicating problematic modalities from multilateral development banks. They emphasized the need

to **avoid co-financing obligations and narrow definitions of “innovation”, and advocating for grant-based, proven, and community-responsive financing models.** They called for BIM implementation to incorporate clear sub-national funding channels, locally led actions, and safeguards rooted in human rights, gender equity, and Indigenous Peoples’ rights.

- On **community access**, civil society described this as a transformative and structural necessity for effectiveness and justice. They noted that only 11% of current climate finance reaches the local level, with even less directed to grassroots groups such as women, youth, and indigenous communities. They proposed **four practical mechanisms: (1) channeling funding through strengthened national or subnational climate funds; (2) embedding local planning priorities in budget support with a 50% allocation for community-led implementers; (3) establishing participatory review processes at the FRLD level; and (4) reforming national coordination committees to remove political gatekeeping.** The Farmers’ Constituency reiterated its call for a permanent seat on the Board to ensure consistent representation.
- Regarding **observer participation and the organization structure of the Secretariat**, civil society questioned whether the Secretariat is adequately designed to support meaningful engagement, particularly given the absence of dedicated staff for stakeholder inclusion. They strongly opposed any role for private sector representatives on the Board, citing conflicts with the Governing Instrument. They advocated for **the appointment of at least two active observers per constituency, prioritizing voices from the Global South, and urged the removal of reporting burdens that hinder open participation.** Additional proposals included **consultative forums for underrepresented groups** (e.g., smallholders, migrants, youth), integration of civil society voices into official records, and resourcing for observer participation. Several observers noted logistical barriers, including visa and funding constraints, and expressed appreciation for Board members who engaged between meetings. They also emphasized the **delayed access to documents (e.g., for BIM operationalization) and short-notice invitations consistently limited their ability to consult constituencies and provide substantive input.** Without timely and transparent consultation, they warned, the Fund risks repeating the same top-down injustices and exclusions that have historically undermined equity and effectiveness in other climate finance institutions.
- On the **role of local governments**, civil society emphasized that mayors and local officials are the first responders to climate disasters but often lack financing or institutional access. They urged the Board to **institutionalize engagement with local governments as a criterion for project selection and called for clear pathways to access funding directly or through structured partnerships** (e.g., nested proposals or accredited intermediaries). Proposals included the **creation of a “civil protection funding window”** and the recognition of the Local Governments and Municipal Authorities (LGMA) constituency as a legitimate stakeholder in Fund governance.

Board members responded with appreciation and acknowledged the critical contributions of civil society to the FRLD's development. Many highlighted the importance of this dialogue in ensuring that the FRLD remains responsive to those on the front lines. They emphasized that the FRLD is “not a bank,” and its design should reflect the unique role of loss and damage finance.

- On **resource mobilization**, developing country Board members stressed the urgent need for clarity on the scale of finance required to guide the FRLD's institutional development. They highlighted the “very real” gap, citing the USD 400 billion annual need and calling for this to be reflected in a robust resource mobilization strategy. They also echoed the need to adopt such a strategy by B7, while **emphasizing that it must be grounded in equity and deliver predictable, grant-based finance to those most affected**. Developed country Board members echoed the urgency of scaling up resources and the matter be taken “very seriously.” They reaffirmed support for expanding the FRLD's scale and reach, encouraging innovative and diversified financing approaches. While acknowledging that the FRLD cannot meet all needs, members emphasized its catalytic role and the importance of designing tools – such as support for SMEs – aligned with its mandate and fiduciary standards.
- In relation to **BIM and access modalities**, developing country Board members echoed civil society concerns on inclusivity, emphasizing that **all developing countries must remain eligible for access**. They rejected any implication that access would be limited and underscored the importance of designing the BIM carefully, as it will shape the FRLD's long-term direction. Developed country Board members acknowledged the complexity of designing inclusive access modalities and agreed on the need to avoid a system where some countries are left behind. While some supported maintaining broad eligibility, others favoured prioritizing the most vulnerable. They also emphasized the value of using the BIM phase to test and refine approaches that can inform the FRLD's long-term operational model.
- On **community access**, developing country Board members stressed the importance of ensuring community access, highlighting **the need for inclusive approaches that benefit frontline communities**. They emphasized that **operationalizing community-level access must consider country contexts, fiduciary responsibilities, and how communities engage through national entities**. They also encouraged civil society to share concrete examples of workable models to inform FRLD design, while emphasizing the value of community experience in shaping a differentiated approach for the FRLD. Developed country Board members broadly supported the principle of community access and called for innovative tools to enable local delivery. They underscored **the importance of balancing inclusivity with fiduciary duties and environmental and social safeguards**, warning against approaches that may undermine contributor confidence.
- Regarding **observer engagement**, several Board members acknowledged gaps in document access raised by civil society. They recognized delays and agreed improvements were needed to ensure more inclusive participation. The Co-Chairs also clarified that civil society references to BIM operationalization papers concerned internal

drafts, not formal Board documents. He also acknowledged delays in finalizing the observer participation policy and invited the active observer group to help co-design inclusive consultation processes. However, he cautioned that the Secretariat's constraints may continue to limit progress.

As a closing, **Board members were reminded of the unique nature of the FRLD – distinct from development finance institutions – and the Board's responsibility to uphold its purpose, values, and accountability to the communities it is meant to serve.**

Way Forward

The meeting was closed by the Co-Chairs with a concern that there will not be a lot of time between B6 and B7, which becoming more challenging to organize the meeting. The Co-Chairs stated that the best way would have been to postpone B7 for a few weeks. Some of the **key points for a way forward at B7 are:**

1. Consideration of the draft long-term resource mobilization strategy and plan prepared by the Secretariat;
2. Adoption of the updated document prepared by the Secretariat on their consultations with the Board regarding the BIM;
3. The Co-Chairs presenting the result of engagement with the World Bank on identifying the modalities to facilitate direct access via direct budget support;
4. Completion of the transition from interim to independent Secretariat, including for functional leads position and the rest of the staff recruitment, as well as the budget implications; and
5. Submission by the Secretariat on addendum to the report of the Board to the COP and CMA which will include the summary of the final outcomes of the B7.

In addition to that, other **way forwards for the upcoming Board meetings (B9 and B12) are:**

1. Consideration of the draft policy on the participation of active observers in Board meetings and a draft proposal for guidelines on consultative forums prepared by the Secretariat at **B9**; and
2. The Secretariat to review the guidance on the focal points at the conclusion of the BIM and present updated guidance for consideration at **B12**, and to review the guidance every three years thereafter.