KEY MESSAGES
FOR THE FIRST MEETING OF THE BOARD OF THE LOSS AND DAMAGE FUND

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INTRODUCTION

Ahead of the first meeting of the Board of the Loss and Damage Fund (LDF) — which will take place from the 30th of April to the 2nd of May in Abu Dhabi in the United Arab Emirates— these key messages have been written in response to each agenda item on the provisional agenda for the meeting. For each agenda item we have also provided links to the relevant background paper.

Cover image credit: Climate Action Climate Action Network International and others civil society groups call for the Loss and Damage Fund to be filled at COP28 in Dubai. Image credit: COP28 2023 – Dia 7 · 06/12/2023 · Dubai, Midia NINJA, licensed under a CC BY-NC 2.0 DEED licence.

MESSAGES

1. Opening of the meeting.

Messages:

- The delayed nomination of Board Members to the Loss and Damage Fund by developed countries has pushed back the scheduling of the Fund's first meeting. This delay has reduced the time available for the Board to address significant elements for still remaining to fully operationalize the Fund. Therefore the Board must hit the ground running.

- The COP28 decision on the Loss and Damage Fund, while relatively detailed, has left significant elements for the Board to develop and approve. In 2024 the Board will have to act with urgency to establish the core operational frameworks for programming approval, access modalities, resource allocation, environmental and social safeguards, financing terms and instruments and results management, which are only laid out in a rudimentary way in the Governing Instrument.¹

- It is essential to ensure that the Fund starts to deliver for the communities and countries on the front line of the climate crisis as soon as possible. The pledges made to the Loss and Damage Fund must start being dispersed no later than 2025 and ideally by Q4 of 2024.

2. Election of Co-Chairs.

Messages:

- The Board must quickly elect co-chairs and confirm its current membership to ensure decisions can be made to advance the work to fully operationalise the Loss and Damage Fund and funding arrangements.

- The elected co-chairs and the wider Board must be impartial, severing the needs and priorities of developing countries and communities on the front lines of the climate crisis. The Board must work towards the clear, transparent and faithful implementation of the Governing Instrument as mandated. Board that won’t be influenced by the various policies that may be proposed.

3. Organisational matters.

(a) Adoption of the agenda.

Messages:

- The Board must adopt the provisional agenda promptly to ensure that there is time to discuss all items during the first Board meeting.

(b) Organization of the work of the meeting.

Messages:

- The Board must prioritise agenda items that are essential to advance the full operationalisation of the Loss and Damage Fund. Spending too much time on items such as the name of the Loss and Damage Fund (item 12) will leave the Board with insufficient time to address core modalities. Developing countries Parties and civil society should be wary of developed country parties wanting to prolong or prioritise discussions on what should be low priority agenda items as this may be a delay tactic.

4. Work plan of the Board.

Background paper on the Work Plan here.

Messages:
• The Board must develop a comprehensive work plan for 2024, while simultaneously grappling with the constraints imposed by the postponement of the initial meeting. The Board must agree on a comprehensive work plan at its first meeting with the aim of having the following core modalities adopted before the end of the year: operational frameworks for programming approval, access modalities, resource allocation, environmental and social safeguards, and financing terms and instruments and results management.

• Sequencing the work of the Board is very important as each framework will need two to three consecutive Board meetings to be drafted, discussed and finalised. A minimum of three, if not four, Board meetings will be required this year, with significant work done to draft policies in between meetings. With the first meeting of the Board delayed by the late nomination of developed country members, it will be challenging for the Board to accomplish all of the tasks required by it this year. However, the Board must still strive to adopt all core modalities by the end of 2024, recognising the urgency of addressing loss and damage.

• The Board will need to make several decisions quickly, including adopting rules of procedure, deciding on a host country for the Board, developing the work plan, and selecting an Executive Director. The Board also needs to figure out how to operate the Fund in a way that ensures resources are allocated fairly and efficiently, avoiding a first-come, first-serve basis which could deplete funds rapidly after a major event.

• The operational structure and legal agreements —especially with the World Bank— are critical tasks for the Board to address and lessons from the Advisory Board of the Santiago Network for Loss and Damage on how mandates can be creatively interpreted must be taken into account. The Board needs to ensure that legal personalities, through a host country selection process and hosting agreements with the World Bank, are established to enable the Board to function effectively.

• The Board would also need to consider how the Fund can receive contributions from non-sovereign sources and explore innovative financing mechanisms. This involves setting up a resource mobilisation strategy that includes diverse sources of funding. However this needs to always be enshrined in the principles based approach reiterating that Loss and Damage finance is public and grants based.

• A critical aspect of the Board’s work will also be to ensure that the Loss and Damage Fund is responsive to the needs of affected countries and communities and can adapt its policies to different types of loss and damage events, including slow-onset events and non-economic loss and damage, and that it effectively reaches affected communities and marginalized groups, meeting their needs and priorities while respecting and promoting their human rights. This includes safeguards to ensure that

the Loss and Damage Fund’s activities don’t cause harm and accountability mechanisms to ensure access to justice and remedy when they do, as well as policies to seek to advance substantive equality and promote human rights.

5. Additional rules of procedure of the Board.

Background paper on annotated rules of procedure here.

Messages:

- Some core Board rules of procedure have been outlined in the Governing Instrument (GI, para. 23 - 31) for the Loss and Damage Fund, however there are a number of additional rules of procedure which the Board must agree, or instances where further clarification or development of basic procedural rules is required including on the participation and conduct of advisors and procedures for decision making.

- At its first meeting, the Board must agree provisions related to the information disclosure of its proceedings, including a commitment to webcasting all of its meetings and allowing stakeholders the opportunity to participate remotely as well as the timely and complete release of Board documents on the Loss and Damage Fund webpage prior to the meetings and making all Board decisions and outputs publicly available and accessible. Ensuring that the Board and the Secretariat’s own access to information and disclosure procedures are best practice, is crucial for the Fund’s legitimacy, functioning and effectiveness.³

6. Selection of the host country of the Board.

Background paper on selection of the host country here.

Messages:

- The Loss and Damage Fund’s decision-making Board as a fully independent body will need legal personality and legal capacity. This is needed to approve and sign legally binding agreements on behalf of the Fund.

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The COP28 decision on the Loss and Damage Fund requests the Board to select a host country for the Board through an “open, transparent and competitive process” (Gl, para.16).

At the first meeting, the Board must discuss and come to agreement on the terms of references, including criteria and time-frame, as well as setting up the selection process to select the host country for the Board of the Fund to ensure an open, transparent and competitive process.

If the Co-Chairs of the Board are not given the mandate to engage with potential host countries during the first Board meeting, a selection committee of a few Board members designated by the Co-Chairs could be set up. This selection committee should then work between Board meetings 1 and 2 to present options and recommendations to the full Board for decision at Board meeting 2.4

During the closing plenary of COP28, Barbados and the Philippines offered to host the Loss and Damage Fund. The Bahamas has also purportedly expressed interest in hosting the Board.5

The Board must select and approve a host country for the Board of the Loss and Damage Fund no later than at the second Board meeting.

This decision will require careful sequencing and timing, and does not allow for delays. It is crucial for members of the Board to come to a prompt decision on the host country of the Board, as there is a time gap between selecting a host nation and granting legal personality and capacity.

Without a host country, the Board will not be able to enter into a hosting agreement with the World Bank for delivery of trustee services and the interim hosting of the Fund’s Secretariat as a Financial intermediate Fund.

7. Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

Background paper on matters related to the Fund as a World Bank FIF here. Addendum here.

Messages:


5 Idib.
The World Bank must promptly communicate it is willing and able to host the secretariat of the LDF by the 13th of June (no later than six months after COP28), and to provide the necessary documentation for Financial Intermediary Funds (FIF) by the 13th of August, (no later than eight months after COP28).

If the World Bank is unwilling to meet the conditions set out in the COP28 decision operationalizing the Loss and Damage Fund, the Board will begin the process of selecting a host country for the Fund in order for it to become an independent, standalone fund.

The Board must agree on how it will undertake the task of providing the World Bank with guidance, and how it will assess the documentation from the World Bank against the critical conditions in the COP/CMA decision (para.20) throughout the negotiation process and once the documentation is submitted. The Board should ensure full transparency of all documentation throughout this process, as well as observer participation.

At the it’s first meeting, the Board must put in place a negotiation and assessment process for its engagement with the World Bank that allows for meaningful participation of observers, and ensures that any work done intersessionally by the Bank is reported on a regular basis to the full Board and the public. All documentation provided by the World Bank must be made publicly available. This will be an early test of the willingness of the Board of the Loss and Damage Fund to conduct its work transparently and with accountability in line with the mandate of the Governing Instrument for the Fund’s operations (GI, para.5).6

Without a change to the World Bank’s existing policies, the operationalisation of the Loss and Damage Fund secretariat as a World Bank FIF would make direct access for developing countries and impacted communities impossible. This would mean that the Bank would fail to meet item (e) of the criteria laid out in paragraph 20 of the COP28 decision.

The World Bank has indicated in the FAQ on its Loss and Damage Fund webpage that it will not have any role in decision-making. However, concerns remain around whether the World Bank will seek to influence the Board noting that as the Bank’s largest shareholder the US — a historic blocker of Loss and Damage finance — has ideological influence over the Bank.

If we are to remotely consider the World Bank as the long-term host of the LDF, then the Bank needs to focus on a debt-restructuring framework. Debt restructuring, and/or forgiveness, is needed urgently by climate-vulnerable countries who are not

able to program for durable climate solutions — including to address loss and damage — because developed countries and institutions like World Bank are not providing debt-free lending instruments as recommended by the Bridgetown Initiative.

- If the World Bank does not stick to the timeline indicated on the About page of its Loss and Damage Fund webpage, communities and countries on the frontlines of the climate crisis affected by loss and damage will face further unacceptable delays which will result in more lost lives, homes and livelihoods.

8. Arrangements for observer participation in the Board meetings.

Background paper on arrangements for observer participation in the Board meetings [here](https://lossanddamagecollaboration.org).

Messages:*  

- The Board should decide at the first meeting to put in place a participatory process to design clear guidelines and modalities for the meaningful engagement of Active Observers, including the number of active observers and providing equal access to the documents as Board members and equal opportunities to ask for and be allowed to take the floor during each agenda item at Board meetings, propose agenda items, and work intersessionally and in specific working groups or committees. This process should be completed by the second Board meeting.

- The Board should decide on a concrete road map for the development of a comprehensive participation framework that ensures frontline community voices and civil society are represented in all stages of activities of the LDF. Such a road map must be set as a priority for the Board’s work plan, and should include an inclusive consultation process, a timeline, and concrete intermediary steps.

- The Board should recognize that the fact that if the first Board meeting of the Loss and Damage Fund is not open to virtual participation this will be very problematic for frontline communities, observers and Parties alike. Especially for those who do not have the resources to travel to Board meetings. A lack of modalities for virtual participation, goes against the grain of ensuring transparency in governing processes of the Loss and Damage Fund. The Board must ensure that this is rectified for its second meeting.

*For more detailed key messages of observer participation see “Loss And Damage Fund: A Participation Blueprint”.*

Background paper on administrative budget here.

Messages:

- The Board must approve the administrative and financial arrangements and activities for the Loss and Damage Fund, including the administrative budget, for the interim secretariat to enable its effective operation. The administrative budget should be set within limits and not set at levels of very high operational costs.

- At the first Board meeting, the Loss and Damage Fund must approve an adequate administrative budget for the interim Secretariat that allows for the administrative and specialized support needed (including to pay for consultancies), as well as a work plan to define its role and engagements in the interim period. This should also budget and plan for the transition from the interim to the independent Secretariat.

- The initial administrative budget for the independent Secretariat must include a work and staffing plan, making clear the intended initial staff size (and its growth trajectory) and which positions need to be filled right away.

- Clarity is needed on whether funding support for the interim Secretariat can be drawn from the pledges received for the Loss and Damage Fund at COP28 (as this is clearly part of “commencing the operationalization of the Fund” as provided in the Decision in paragraph 13) or whether a separate call for contributions for the interim Secretariat is needed. This should also provide clarity and transparency on the required speedy conversion of pledges for the Loss and Damage Fund into signed contributions. 

10. Travel policy of the Board.

Background paper on travel policy here.

Messages:

- The Board must ensure that there is dedicated financial support for the participation of developing country observers.

- The Board must ensure that late information sharing about meetings and registration is avoided, as this will mainly impacting the participation of observers of the Global South who more often face challenges in acquiring visas.

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11. Process for selecting the Executive Director of the Fund's secretariat.

Background paper on the process for selecting the Executive Director [here](#). Addendum [here](#).

**Messages:**

- The Board must determine the process for selecting an Executive Director for the Loss and Damage Fund secretariat, ensuring it is merit-based, transparent, and open to all qualified candidates. The selected individual should possess the necessary expertise and abilities to effectively lead the Loss and Damage Fund.

- At its first meeting the Board will have to establish and launch this selection process, which must be as transparent as possible, with a tight deadline, including approving the job description and required qualifications ([G1, para.33](https://lossanddamagecollaboration.org)).

12. Name of the Fund.

**Messages:**

- The Board needs to agree on the name of the Fund that reflects what the Fund is for and not respond to the interest of the selected few who claim that calling the Fund “the Loss and Damage Fund” would be controversial. The name should reflect the needs of the vulnerable developing countries, calling the fund “the Loss and Damage Fund” does just that.

13. Status of resources.

Background paper on status of resources [here](#).

**Messages:**

- The COP28 Decision to operationalise the Loss and Damage Fund welcomes the $661 million USD in pledges made to the Fund made in Dubai. These pledges now need to be become commitments that are paid into the Fund.

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● The pledges made at COP28 to the Loss and Damage Fund are a drop in the ocean compared to the $400 billion USD currently needed each year by developing countries to address economic loss and damage alone.\(^9\) In 2022, major climate and weather events in developing countries caused more than US$109 billion in losses, a figure that does not take into account smaller locally devastating events, slow onset impacts, or non-economic loss and damage.\(^10\)

● Developing countries have indicated that they expect the Fund to program at least $100 billion a year. The $661 million USD pledged at COP28 would account for less than 1% of what developing countries expect ($100 billion USD) and only 0.2% of the actual needs of developing countries ($400 billion USD). Additional funds are therefore urgently needed to enable programming at the scale required to address loss and damage.

● There is a need of being clear on the capitalization as well as discussions around long-term sustainability and sources of funding to ensure functionality and effectiveness of the fund.

● Within the COP28 Decision on the Loss and Damage Fund, Developed countries are only required to make “voluntary” contributions to the Fund, whilst being invited to take the lead in providing financial resources. However, the decision text does not take away from existing international legal obligations, under which wealthy countries with high cumulative emissions have a duty to provide financial resources and other forms of remedy for the harm these emissions have caused.\(^11\)

● In its longer-term resource mobilization strategy as well as initial capitalization efforts, the Board should put in place contribution policies that allow for inputs from innovative sources of finance that meet the principles of the Convention, are based on a polluter pays approach and whose burden falls on those who can afford to pay.\(^12\)


**Messages:**

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\(^9\) Idib.


\(^12\) Idib.
At the first meeting, the Board should set the dates and venues for a minimum of three, and ideally four Board meetings in 2024 to ensure that the Board has adequate time to establish the Funds core operational frameworks in 2024. Where possible these meetings should take place back to back with other UNFCCC meetings to reduce travel and burden upon Board members.

Announcements of meeting dates and venues as well as notification for accreditation must be sent out in a timely manner to ensure that observers have sufficient time to submit for accreditation and make arrangements to attend.

Where submissions will be allowed to Board meetings, the submission window must be sufficiently long enough to allow meaningful engagement.

15. Report of the meeting.

Messages:

The report of the first meeting of the Board of the Loss and Damage Fund needs to be available before the start of the third Glasgow Dialogue on Loss and Damage, which will take place during the 2024 Bonn Climate Conference (SB60). This is needed to ensure that Parties and stakeholders can adequately prepare for meaningful participation in the Dialogue with regards to addressing progress made by the Board of the Fund.

16. Other matters.

Messages:

The New Collective Quantified Goal (NCQG) on climate finance is a critical framework under discussion for scaling up financial support to address various aspects of climate change, including mitigation, adaptation, and loss and damage. It should be envisioned as a key enabler of climate action and be grounded in a principles based approach with all finance that flows through the NCQG being aligned with a human-rights and a feminist gender-responsive approach and a climate justice perspective.

The representation of loss and damage finance within the NCQG involves several considerations to ensure that it meets the needs of the most vulnerable countries and communities impacted by climate change. Here are some key aspects of how the NCQG should represent loss and damage finance:
● **The Loss and Damage Fund as an Operating Entity of the UNFCCC is Crucial for the NCQG Elevating Loss and Damage**\(^\text{13}\): The LDF’s operational status provides crucial context for ongoing NCQG discussions. Negotiators can now frame the NCQG as a comprehensive financial mechanism encompassing all three pillars, ensuring a balanced approach to climate action. In essence, the LDF as an operating entity paves the way for a more robust NCQG by ensuring L&D receives the recognition and resources it deserves. As an operating entity, the LDF is directly accountable to Parties through the Conference of the Parties (COP) and the Conference of the Parties Serving as the Meeting of the Parties (CMA). This transparency fosters trust and ensures the LDF functions in line with Party guidance. Additionally, its operational status enhances visibility for L&D financing, placing it on par with mitigation and adaptation efforts.

● **Solidifying L&D as a Financing Pillar**: By anchoring the LDF as an operating entity, the agreement explicitly recognizes L&D as the third vital pillar of climate finance, alongside mitigation and adaptation. This strengthens the argument for dedicated L&D resources within the NCQG framework.

● **Clear Definition and Scope**: It’s important for the NCQG to clearly define what constitutes loss and damage finance. This should distinguish it from adaptation and mitigation finances and include both economic and non-economic losses. The scope should specifically address the unique and additional costs associated with loss and damage, particularly those that cannot be avoided through mitigation or adaptation efforts.

● **New and Additional Finance**: The finance allocated under the NCQG for loss and damage should be new and additional, over and above existing commitments to climate finance. This is crucial to ensure that resources meant for adaptation or mitigation are not repurposed at the expense of addressing loss and damage, which has often been underfunded.

● **Quality**: Only non-debt inducing instruments that are human rights based and gender just, and deliver grants free from conditionality will be adequate in addressing L&D.

● **Adequacy and Predictability**: The quantum of finance specified for loss and damage in the NCQG should reflect the actual and anticipated needs, which are expected to grow as climate impacts worsen. It should be sufficient, sustained, and predictable, allowing countries to plan and implement necessary interventions effectively.

● **Accessibility and Fair Allocation**: The mechanisms established under the NCQG for disbursing loss and damage finance should prioritise accessibility, especially for those countries and communities that are most vulnerable. This involves simplifying

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\(^{13}\) Schalatek, L., & Richards, J.A. (2024) *The Loss and Damage Fund Board: Getting It Right from the Start*, HBS

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application processes, ensuring fair allocation based on vulnerability and need, and avoiding overly restrictive criteria that can limit access for those in most urgent need.

- **Linkage with Technical Assistance and Capacity Building:** The NCQG should facilitate not just the provision of financial resources, but also technical assistance and capacity building to help countries assess, plan, and manage loss and damage. This should be deeply aligned with efforts in the Santiago Network, which is designed to enhance technical support around loss and damage.

- **Innovative Financing Mechanisms:** Given the scale of funding required, the NCQG should promote innovative financing mechanisms based on the polluter-pays principle such as a climate damages tax which is envisioned as a levy on the extraction of fossil fuels.

- **Transparency and Accountability:** There should be clear mechanisms for monitoring, reporting, and verifying the use of funds allocated for loss and damage. This ensures transparency and accountability, fostering trust among contributors and recipients.

*See further key messages on Loss and Damage in the NCQG [here](#).

17. Closure of the meeting.

**Messages:**

- Before it's second meeting the Board of the Loss and Damage Fund must have achieved the following:
  - The Board must select and approve a host country for the Board of the Loss and Damage Fund no later than at the second Board meeting.
  - The Board must complete guidelines and modalities for the meaningful engagement of Active Observers by the second Board meeting.
  - The Board must ensure that virtual participation modalities are in place for the second meeting.
  - The Board must consider applicants for the role of Executive Director for the Loss and Damage Fund at the second meeting.
  - The report of the first meeting of the Board of the Loss and Damage Fund needs to be available before the start of the third Glasgow Dialogue on Loss and Damage and/or well ahead of the second meeting of the Board.

[lossanddamagecollaboration.org](http://lossanddamagecollaboration.org)