DRAFT TEXT
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Matters relating to finance
Report of the Fund for responding to Loss and Damage and guidance to the Fund for responding to Loss and Damage

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Option 1:

Draft decision -/CP.31

Report of the Fund for responding to Loss and Damage and guidance to the Fund for responding to Loss and Damage

The Conference of the Parties,

Recalling decisions 2/CP.27 and 2/CMA.4; 1/CP.28 and 5/CMA.5; 5/CP.29 and 11/CMA.6; 6/CP.29 and 12/CMA.6; and 4/CP.30 and 8/CMA.7,

[Progress in operationalizing the Fund]

1. *Welcomes* the annual report of the Board of the Fund for responding to Loss and Damage for 2026[1] and *takes note* of the information therein;

2. *Welcomes* the progress in operationalizing the Fund and *expresses appreciation* to the Board of the Fund, the Co-Chairs of the Board and the secretariat for supporting the operationalization;

3. *Welcomes* the first call for funding requests under the Barbados Implementation Modalities and the receipt of 176 funding requests from 119 developing countries thereunder;

4. *Also welcomes* the first extraordinary meeting of the Board on 22 October 2026 and the decision taken at that meeting to set aside USD 21.6 million for piloting an approach allowing for the new submission of a funding request under the Barbados Implementation Modalities outside of the submission period in the context of an urgent request for support following a catastrophic climate-related extreme event[2] and *recognizes* that the ability of the Fund to respond to such events depends on the mobilization of additional resources, including through the successful first replenishment of the Fund;

[Implementation of the BIM]

5. *Notes with concern* that some countries that have submitted funding requests under the Barbados Implementation Modalities have not yet received comments on those requests from the secretariat of the Fund;

6. *Urges* the Board to expedite the review and approval of funding requests submitted under the Barbados Implementation Modalities and *encourages* the Board to provide further guidance on the approval process to ensure timely, transparent and needs-based approval of support for, and its delivery to, developing countries;

7. *Requests* the Board, in approving the initial starter package and subsequent funding requests under the Barbados Implementation Modalities, to ensure geographical balance across and within regions so as to safeguard against the overconcentration of support in any given country, group of countries or region,[3] as well as ensure coverage of all types of loss

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[1] FCCC/CP/2026/7–FCCC/PA/CMA/2026/12.
[2] Board decision B.Ex1/D.1.
[3] In accordance with the Governing Instrument of the Fund, para. 60(c), and Board decision B.5/D.4. The Governing Instrument is contained in annex I to decisions 1/CP.28 and 5/CMA.5.

and damage and fair and equitable treatment of consideration of funding requests for approval regardless of the date of submission;

[Resource mobilization and replenishment]

8. *Notes with concern* the significant demand for support under the Barbados Implementation Modalities, with USD 1.9 billion in funding requests received during the submission period against a total allocation of USD 342 million, and *requests* the Board to mobilize additional resources for the Barbados Implementation Modalities commensurately with this proven demand;

9. *Emphasizes* the urgent need for adequate capitalization of the Fund and *calls on* developed country Parties to provide new substantial, predictable and grant-based contributions to significantly scale up the Fund's resources in line with the growing needs of developing countries;

10. *Notes with concern* that only USD 485.77 million of the USD 822.71 million pledged to the Fund had been received as at 31 July 2026, *urges* developed country Parties to convert outstanding pledges to contributions as soon as possible and *requests* the Board to continue taking measures to ensure the timely conversion of pledges into fully executed contribution agreements or arrangements;

11. *Welcomes* the decision of the Board to develop the long-term fundraising and resource mobilization strategy following a two-stage approach, with the first stage to address, inter alia, strategic positioning of the Fund, conversion of existing pledges into signed contribution agreements, encouragement of new voluntary contributions to the Fund and the initiation of outreach steps aimed at increasing the number of contributors;[4]

12. *Urges* the Board to expedite the completion of the long-term fundraising and resource mobilization strategy for the Fund, particularly those elements aimed at encouraging contributions from a broad range of actors and multiple funding sources;

13. *Requests* the Board to ensure that both stages of the long-term fundraising and resource mobilization strategy for the Fund are guided by paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and paragraphs 54–56 of the Governing Instrument of the Fund;[5, 6]

14. *Recalls* that the Fund's Governing Instrument allows it to receive contributions from a wide variety of sources;[7]

15. *Welcomes* the decision of the Board to start the process for the first replenishment of the Fund in 2027[8] and to consider options for fast-tracking this process,[9] *urges* the Board to implement the process in a timely manner in order to support operational continuity of the Fund and *requests* the Board to ensure that the replenishment is guided by paragraph 12 of decisions 1/CP.28 and 5/CMA.5 and by the long-term fundraising and resource mobilization strategy for the Fund and the long-term model for the Fund, which underpin its sustainability and effectiveness over time;

16. *Requests* the Board to ensure that the first replenishment is designed to mobilize resources commensurate with the scale of loss and damage in developing countries, and that the first stage of the resource mobilization strategy does not prejudge the ambition or scale of the long-term model;

[Country support and access modalities]

17. *Welcomes* the operationalization of the country support system under the Barbados Implementation Modalities and *requests* the Board to ensure that any delegation of funding approval authority to the Executive Director of the Fund under this system is subject to an

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[4] Board decision B.8/D.8.
[5] Contained in annex I to decisions 1/CP.28 and 5/CMA.5.
[6] In line with para. 16 of decisions 5/CP.29 and 11/CMA.6.
[7] Para. 54 of the Governing Instrument.
[8] Board decision B.7/D.7.
[9] Board decision B.9/D.7.

accountability framework approved by the Board and to regular reporting of the Executive Director to the Board;

18. *Also requests* the Board to expedite the implementation of the country support system under the Barbados Implementation Modalities, ensuring that it does not create undue burden through eligibility criteria and access modalities, and, prior to its implementation, to organize, in close cooperation with developing countries and relevant stakeholders, dedicated information sessions and awareness-raising activities to provide developing country Parties with clear, comprehensive information on the objectives, modalities, eligibility criteria and application procedures of the country support system with a view to ensuring its accessibility, transparency and effective uptake;

19. *Welcomes* the approval by the Board of the results measurement framework for the Barbados Implementation Modalities, including its affirmation that the framework and its indicators do not constitute eligibility, selection or approval criteria,[10] and *requests* the Board to ensure that:

(a) The reporting requirements under the framework are proportionate to the capacities of developing countries;

(b) Assessments under the framework are context-specific and proportionate to the scope and nature of the proposed activities and are used to identify relevant risk mitigation measures rather than determine a pass or fail outcome;

20. *Welcomes* the adoption by the Board of the access modalities for the Barbados Implementation Modalities,[11] including direct access via direct budget support through national Governments, *encourages* the Board to continue making efforts to ensure that developing countries have simple and streamlined funding cycle funding criteria, assessment methodologies and approval processes, as well as timely and country-driven access to the Fund, avoiding disproportionate bureaucratic obstacles to the access of resources, including in the long-term model for the Fund;

21. *Requests* the Board, in finalizing the funding agreement template for the Barbados Implementation Modalities, to ensure that the terms under the agreement, including conditions precedent to disbursement, avoid disproportionate bureaucratic obstacles and do not introduce conditionalities beyond those required by the policies of the Fund;

22. *Also requests* the Board to ensure that the analysis of the initial results of the Barbados Implementation Modalities covers countries' experience of the requirements and process for submitting funding requests and of the support available to them, drawing on the experience of all applicant countries, including those whose funding requests were found to be non-compliant or were not approved and those that engaged with the secretariat of the Fund but did not submit a request;

[Long-term model]

23. *Encourages* the Board to accelerate the development of the long-term model for the Fund in parallel with the operationalization of the Barbados Implementation Modalities, including all elements of the model necessary to ensure the Fund's effective and efficient functioning over time;

24. *Looks forward* to the Board's consideration, at its 10th meeting, of the elements and sequence of development of the long-term model for the Fund such that essential elements of the model that are crucial to the first replenishment of the Fund are in place in a time frame that ensures the timely initiation thereof[12] and *encourages* the Board to make a decision on these matters at that meeting;

25. *Also encourages* the Board to develop the long-term model for the Fund and design the process for the first replenishment of the Fund in a manner that is closely aligned with

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[10] Board decision B.9/D.3.
[11] Board decision B.8/D.3.
[12] Board decision B.9/D.7.

the mandate of the Fund as a whole, as set out in its Governing Instrument, and is fully consistent with the principles and arrangements established in the Governing Instrument;

26. *Requests* the Board, in developing the long-term model of the Fund, to:

(a) Prioritize the development of procedures and policies for operationalizing rapid disbursement modalities;

(b) Consider indicators and triggers that would allow rapid disbursement to be triggered after a climate-related extreme event;

(c) Ensure that that public, grant-based contributions are the primary source to deliver new, additional, predictable and adequate resources referred to in paragraph 56 of the Governing Instrument, with other sources complementary to them;

(d) Ensure that the activities supported by the Fund prioritize ongoing and ex post responses to loss and damage, including rehabilitation, recovery and reconstruction, and address priority gaps within the current landscape of institutions funding activities related to responding to loss and damage;

(e) Ensure, in developing a policy on financial instruments, that support for loss and damage is predominantly delivered in the form of grants, reflecting the special circumstances of the least developed countries, and that the financial instruments through which contributions are received do not determine the financial instruments through which support is provided;

(f) Ensure simple and streamlined funding cycles, funding criteria, assessment methodologies and approval processes, as well as timely and country-driven access to the Fund, with a view to avoiding disproportionate bureaucratic obstacles to the access of resources, while maintaining sound financial management, transparency, safeguards and clear reporting requirements;

(g) Build on the lessons learned in operationalizing the Barbados Implementation Modalities, ensure the provision of grants to and to ensure direct access modalities for all developing countries, including direct access via direct budget support through national Governments;

(h) Ensure that that the long-term model is efficient, transparent and complementary to other elements of the loss and damage landscape and climate finance architecture, under and outside the Convention and the Paris Agreement;

(i) Develop policies on the participation of active observers in Board meetings and related proceedings and guidelines on consultative forums, on gender and on Indigenous Peoples;

(j) Develop and operationalize the modality for access to small grants that support local governments, communities, Indigenous Peoples and vulnerable groups and their livelihoods;

(k) Ensure that the model corresponds to the full scope of the Fund;

27. *Affirms* that all developing countries are allowed to directly access resources from the Fund and *requests* the Board to ensure that all Fund access modalities are operationalized in conformity with paragraph 20(e) of decisions 1/CP.28 and 5/CMA.5 and paragraph 8 of decisions 4/CP.30 and 8/CMA.7;

28. *Requests* the Board to ensure the Fund has transparent financing procedures that apply equally to all Parties not included in Annex I to the Convention;

29. *Encourages* the Board to ensure that the secretariat of the Fund undertakes efforts to support the strengthening of the capacities of direct access implementing entities, taking into consideration the special circumstances of the least developed countries;

30. *Welcomes* the reliance of the Fund on existing accreditations of entities to the Adaptation Fund, the Global Environment Facility and the Green Climate Fund for the

Barbados Implementation Modalities[13] and *encourages* the Fund to facilitate accreditation access for diverse entities, including local and national civil society organizations, community-based organizations and humanitarian organizations, thereby strengthening the direct access modalities for the Fund and enhancing the timely and effective delivery of support to populations affected by loss and damage;

31. *Requests* the Board to ensure that the funding request template, the guidelines for preparing funding requests and other key documents related to the Barbados Implementation Modalities and the long-term model of the Fund are made available in all six official languages of the United Nations, subject to resource availability;

32. *Recalls* paragraph 20(d) of decisions 1/CP.28 and 5/CMA.5;

33. *Requests* the Board to ensure, through its engagement with the World Bank, as host of the secretariat and interim trustee of the Fund, that the hosting and trustee arrangements enable the full operationalization of all Fund access modalities and all steps of the funding cycle, in accordance with the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5;

34. *Also requests* the Board to include in its annual report to the Conference of the Paris information on the fulfilment of the conditions referred to in paragraph 33 above and on the outcomes of its engagement with the World Bank on related matters;

[Complementarity and coherence]

35. *Underscores* its expectation that collaboration of the Fund under existing funding arrangements will be reinforced, including through the high-level dialogue held annually under the Fund, and *looks forward* to the Fund convening the high-level dialogue to be held in 2027;

36. *Encourages* the Board to continue to develop the Fund's value proposition and reflect it within the broader loss and damage architecture, including by mapping existing support provided by other climate funds and funding arrangements, including the Green Climate Fund and the Adaptation Fund, as well as by humanitarian actors, disaster risk reduction institutions, insurance and risk financing initiatives, and other relevant partners, with a view to identifying gaps, promoting complementarity and coherence, and avoiding duplication;

37. *Invites* the Board to develop policies that clearly demonstrate the Fund's distinct role and comparative advantages within the broader climate finance architecture;

38. *Underlines* the importance of complementarity and coordination with existing funding arrangements and by relevant actors and *requests* the Board, with the support of its secretariat, to strengthen collaboration with the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, multilateral climate funds, and humanitarian and disaster risk reduction actors with a view to fostering synergy and complementarity as well as avoiding duplication of effort across the loss and damage architecture, including in implementing the country support system under the Barbados Implementation Modalities;

[Cross-cutting]

39. *Welcomes* the adoption of the Belém gender action plan for 2026–2034[14] and *urges* the Board to promote its effective implementation, including by systematically integrating gender equality into the policies, programmes and investments of the Fund;

40. *Encourages* the Board to promote inclusive, context-responsive approaches in its operations and in programming under the Fund, including by providing tailored support for hard-to-reach and particularly vulnerable populations, recognizing that diverse challenges and barriers may affect equitable access to support;

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[13] Board decision B.7/D.6.

[14] Decision 7/CP.30, annex.

41. *Invites* the Board to enhance the inclusion of Indigenous Peoples, ensure safeguards for the rights of Indigenous Peoples, in particular free, prior and informed consent for funded actions, and incorporate Indigenous Peoples' perspectives and diverse knowledge systems into the decision-making processes of the Fund;

42. *Also invites* the Board to include, in its annual report for 2027, its views regarding interlinkages between the Fund and the Technology Mechanism, including areas of work that could be advanced under the Technology Mechanism and potential synergies between the Fund and the Technology Mechanism;

43. *Encourages* the Board to ensure that recruitment to the secretariat of the Fund proceeds swiftly so as to ensure sufficient capacity for implementing activities in the Board's workplan;

[Future guidance and reporting]

44. *Expresses appreciation* to the Standing Committee on Finance for its efforts in preparing draft guidance for the operating entities of the Financial Mechanism, including the Fund for responding to Loss and Damage,[15] in particular for strengthening the engagement process in preparing the guidance;

45. *Invites* Parties to submit views and recommendations on elements of guidance for the Fund via the submission portal[16] no later than 10 weeks prior to the thirty-second session of the Conference of the Parties (November 2027);

46. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph xx above when preparing its draft guidance for the Fund for consideration by the Conference of the Parties at its thirty-second session;

47. *Also requests* the Board to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision.

Option 2: No guidance.

[15] FCCC/CP/2026/10/Add.3–FCCC/PA/CMA/2026/11/Add.3.

[16] https://submissions.unfccc.int.

Option 1:

Draft decision -/CMA.8

Report of the Fund for responding to Loss and Damage and guidance to the Fund for responding to Loss and Damage

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling decisions 2/CP.27 and 2/CMA.4; 1/CP.28 and 5/CMA.5; 5/CP.29 and 11/CMA.6; 6/CP.29 and 12/CMA.6; and 4/CP.30 and 8/CMA.7,

1. *[Mirroring of paras. 1-41 and 43-47 from COP decision above]*

2. *Recalls* paragraph 16 of decision 1/CMA.6 and *emphasizes* the importance of operationalizing the pursuit of efforts to at least triple annual outflows from the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund from 2022 levels by 2030 at the latest with a view to significantly scaling up the share of finance delivered through them in delivering on the new collective quantified goal on climate finance;

Option 2: No guidance.