

Fund for responding to loss and damage

FLD/B.1/11

24 May 2024

First meeting of the Board

30 April to 2 May 2024

Abu Dhabi, United Arab Emirates

Decisions of the Board – first meeting of the Board, 30 April to 2 May 2024

Summary

This document contains a compilation of the decisions of the Board of the Fund for responding to loss and damage adopted at the first meeting of the Board, in Abu Dhabi, United Arab Emirates, from 30 April to 2 May 2024.

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Agenda item 1: Opening of the meeting

1. The meeting was opened by Mr. Daniele Violetti, Senior Director of the UNFCCC secretariat on Tuesday, 30 April 2024.
2. Prior to the official opening, Dr. Sultan Al Jaber, COP28 President and UAE's Special Envoy for Climate Change; Ms. Cassie Flynn, Global Director, Climate Change of UNDP; and Mr. Artur Cardoso de Lacerda, Director of Governance Affairs and Secretary to the Board of the Green Climate Fund delivered remarks.

Agenda item 2: Election of Co-Chairs

3. The Board adopted the following decision.

DECISION B.1/D.1

The Board:

Elects Mr. Richard Sherman and Mr. Jean-Christophe Donnellier for a term of one year.

Agenda item 3: Organizational matters

(a) Adoption of the agenda

4. The Board adopted the agenda as set forth below:
 1. Opening of the meeting;
 2. Election of Co-Chairs;
 3. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of the work of the meeting;
 4. Workplan of the Board;
 5. Additional rules of procedure of the Board;
 6. Selection of the host country of the Board;
 7. Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund;
 8. Arrangements for observer participation in the Board meetings;
 9. Administrative budget and the report of the interim secretariat;
 10. Process for selecting the Executive Director of the Fund;
 11. Status of resources;
 12. Dialogue with the civil society;
 13. Dates and venues of future meetings;
 14. Report of the meeting;
 15. Other matters;
 16. Closure of the meeting.

(b) Organization of the work of the meeting

5. The Board adopted the following decision.

DECISION B.1/D.2: Interim arrangements for observers

The Board:

(a) *Invites*, for the first meeting of the Board, one representative from each of the nine observer constituencies of the United Nations Framework Convention on Climate Change to observe the proceedings of open sessions of the Board meeting in the room;

(b) *Confirms* that open sessions of the Board shall be webcast, unless otherwise decided by the Board.

Agenda item 4: Workplan of the Board

6. Document FLD/B.1/2 titled “Background paper on the workplan of the Board for 2024” was issued to the Board under this agenda item.

7. The Board adopted the following decision.

DECISION B.1/D.3: Workplan of the Board

The Board, having considered document FLD/B.1/2 titled “Background paper on the workplan of the Board for 2024”:

(a) *Decides to work on the following issues during its second meeting in 2024:*

(i) *Selection of the Executive Director of the Fund;*

(ii) *Selection of the host country of the Board;*

(iii) *Additional rules of procedure;*

(iv) *Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund, including consultation with the World Bank on elements of paragraph 20 of decisions 1/CP.28 and 5/CMA.5 and related mandates in the Governing Instrument, including an operations manual;*

(v) *Access modalities, including in relation to the development of relevant indicators and triggers to clarify access, and operational modalities for the Fund, including a functional equivalency framework, in accordance with the Governing Instrument;*

(vi) *Financial instruments, modalities and facilities;*

(vii) *Arrangements for establishing and operationalizing the annual high-level dialogue;*

(viii) *Participation of active observers in the Board meetings and related proceedings;*

(ix) *Issues under consultation by the Co-Chairs;¹*

(b) *Requests the Co-Chairs to present a workplan for 2024 with a clear sequence and specific milestones, for adoption by the Board at the second meeting of the Board, taking into account the views of the Board members expressed during the first meeting of the Board and the work of the ad hoc subcommittees, including via open, inclusive and transparent consultations.*

Agenda item 5: Additional rules of procedure of the Board

8. Document FLD/B.1/3 titled “Background paper on additional rules of procedure of the Board” was issued to the Board under this agenda item.

9. The Board adopted the following decision.

¹ Travel policy, name of the Fund, and other items under consultation by the Co-Chairs.

DECISION B.1/D.4: Establishment of an ad hoc subcommittee on additional Rules of Procedure of the Board

The Board, having considered document FLD/B.1/3 titled “Background paper on additional rules of procedure of the Board”:

(a) Establishes, pursuant to paragraph 22(h) of the Governing Instrument, an ad hoc subcommittee to assist the Board in developing the additional Rules of Procedure pursuant to paragraph 31 of the Governing Instrument, to be composed of 10 members or alternate members of the Board: 5 from a developing country and 5 from a developed country;

(b) Adopts the terms of reference of the ad hoc subcommittee on the additional Rules of Procedure as set out in annex I to this document;

(c) Appoints as members of the ad hoc subcommittee on the additional Rules of Procedure:

Ms. Christina Chan;

Mr. Gholamhossein Darzi;

Mr. Maheshwar Dhakal;

Ms. Claire Holzer Fleming;

Ms. Anna Merrifield;

Mr. Mohamed Nasr;

Ms. Karima Oustadi;

Ms. Elena Pereira;

Mr. Simon Stumpf;

Mr. Ahmed Waheed.

Agenda item 6: Selection of the host country of the Board**(a) Establishment of an ad hoc subcommittee on the selection of the host country of the Board**

10. Document FLD/B.1/4 titled “Background paper on the selection of the host country of the Board” was issued to the Board under this agenda item.

11. The Board adopted the following decision.

DECISION B.1/D.5: Establishment of an ad hoc subcommittee on the selection of the host country of the Board

The Board having considered document FLD/B.1/4 titled “Background paper on the selection of the host country of the Board”:

(a) Establishes an ad hoc subcommittee on the selection of the host country of the Board in accordance with paragraph 22(h) of the Governing Instrument, to be composed of 10 members of the Board: 5 from a developing country and 5 from a developed country;

(b) Adopts the terms of reference of the ad hoc subcommittee on the selection of the host country of the Board as set out in annex II to this document;

(c) Appoints as members of the ad hoc subcommittee on the selection of the host country of the Board:

Mr. Mohammad Ayoub;

Mr. Georg Børsting;

Ms. Liliam Beatris Chagas de Moura;

Mr. José Delgado;

Mr. Gerard Howe;

Mr. Atsushi Kato;

Mr. Daniel Lund;

Mr. Mohamed Nasr;

Ms. Ana Paula Rodrigues;

Mr. Adao Soares Barbosa;

(d) *Requests the ad hoc subcommittee, taking into account the inputs provided by the Board during its deliberation on this agenda item, to:*

(i) *Prepare the draft terms of reference for the selection of the host country of the Board, including the evaluation criteria, for consideration of the Board at its first meeting;*

(ii) *Prepare the draft selection process of the host country of the Board, including modalities, milestones and indicative timeline for the selection process, for consideration of the Board at its first meeting.*

(b) Terms of reference for the selection of the host country of the Board

12. The Board adopted the following decision.

DECISION B.1/D.6: Terms of reference for the selection of the host country of the Board

The Board:

(a) *Adopts the terms of reference, including evaluation criteria, for the selection of the host country as contained in annex III to this document;*

(b) *Agrees on the indicative timeline, process and next steps for the selection of the host country as outlined in annex III to this document;*

(c) *Notes that the terms of reference outlined in annex III to this document only consider the circumstance where paragraphs 21–24 of decisions 1/CP.28 and 5/CMA.5 are not operationalized.*

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

13. Document FLD/B.1/5 titled “Background paper on matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund” and document FLD/B.1/5/Add.1 titled “Addendum to the background paper on matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund” were issued to the Board under this agenda item.

14. The Board adopted two decisions under this agenda item: the first decision relates to the operationalization of the Fund as a World Bank-hosted financial intermediary fund, and the second decision is on the engagement of the Co-Chairs with the World Bank on the scope, structure and elements of the financial intermediary fund:

DECISION B.1/D.7: Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

The Board, having considered document FLD/B.1/5 titled “Background paper on matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund” and document FLD/B.1/5/Add.1 titled “Addendum to the background paper on matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund”:

(a) *Welcomes the engagement with the World Bank, and the confirmation made by the World Bank that it will, as trustee, enter into financing agreements on behalf of the Fund;*

(b) Adopts the statement set out in annex IV to this document;

(c) Requests the interim secretariat to transmit the statement to the World Bank on behalf of the Board.

DECISION B.1/D.8: Matters relating to the operationalization of the Fund as a World Bank-hosted financial intermediary fund

The Board:

(a) Requests the Co-Chairs to engage with the World Bank on the scope, structure and elements of the financial intermediary fund documentation, hosting agreement and the trustee agreement between the Board and the World Bank in accordance with paragraph 19 of decisions 1/CP.28 and 5/CMA.5;

(b) Further requests the Co-Chairs, after each engagement with the World Bank, to report to, and seek input from the Board, in a transparent and inclusive manner through appropriate means, including through virtual meetings, with a view to enabling the Board to:

(i) Confirm that the relevant financial intermediary fund documentation ensures that the conditions set out in paragraph 20 of decisions 1/CP.28 and 5/CMA.5 can be met during the interim period;

(ii) Endorse the hosting agreement and the trustee agreement;

(c) Confirms that the Co-Chairs' engagement with the World Bank will be in full accordance with decisions 1/CP.28 and 5/CMA.5 and the Governing Instrument.

Agenda item 8: Arrangements for observer participation in the Board meetings

15. Document FLD/B.1/6 titled "Background paper on arrangements for observer participation in the Board meetings" was issued to the Board under this agenda item.

16. The Board adopted the following decision:

DECISION B.1/D.9 Arrangements for observer participation in Board meetings

The Board, having considered document FLD/B.1/6 titled "Background paper on arrangements for observer participation in Board meetings":

(a) Underscores the importance of inviting the views of observers accredited by the United Nations Framework Convention on Climate Change in Board deliberations on matters relating to provisions of the Governing Instrument on the role of stakeholders in the work of the Board;²

(b) Requests the interim secretariat, pursuant to paragraph 20 of the Governing Instrument, to present a paper on the participation of active observers in Board meetings and related proceedings for consideration by the Board at its second meeting;

(c) Also requests the interim secretariat, pursuant to paragraph 27 of the Governing Instrument, to present a paper on an observer accreditation process for consideration by the Board at its third meeting;

(d) Further requests the interim secretariat, pursuant to paragraph 28 of the Governing Instrument, to present a paper on the establishment of consultative forums to engage and communicate with stakeholders for consideration by the Board at its fourth meeting;

(e) Requests the interim secretariat, in preparing the papers referred to in paragraphs (b)–(d) above, to take into consideration the views expressed during the first meeting;

² Noting that the deliberations of the Board under other agenda items may expand the scope of stakeholders to be invited to provide views.

(f) Also requests that the papers referred to in paragraphs (b)–(d) above reflect adequate and enhanced representation of observers from developing countries.

Agenda item 9: Administrative budget and the report of the interim secretariat

17. Document FLD/B.1/7 titled “Administrative budget and report of the interim secretariat” and document FLD/B.1/7.rev.1 titled “Administrative budget and report of the interim secretariat” were issued to the Board under this agenda item.

18. The Board adopted two decisions under this agenda item: the first decision relates to the establishment of an ad hoc subcommittee on the administrative budget, and the second decision is on the administrative budget of the interim secretariat and of the Board:

DECISION B.1/D.10: Establishment of an ad hoc subcommittee on the administrative budget

The Board, having considered document FLD/B.1/7 titled “Administrative budget and report of the interim secretariat” and document FLD/B.1/7.rev.1 titled “Administrative budget and report of the interim secretariat”:

(a) Establishes an ad hoc subcommittee on the administrative budget to support the Board in discharge of its functions pursuant to paragraphs 22(n) and 35(e) of the Governing Instrument, to be composed of six members or alternate members of the Board, three from a developing country and three from a developed country;

(b) Adopts the terms of reference of the ad hoc subcommittee on the administrative budget as set out in annex V to this document;

(c) Appoints as members of the ad hoc subcommittee on the administrative budget:

Mr. Peter Abraham;

Mr. José Delgado;

Mr. Mark Dennis Y.C. Joven;

Mr. Atsushi Kato;

Ms. Karoline Kjeldsen;

Mr. Jaime Tramon;

(d) Requests the ad hoc subcommittee, in line with its terms of reference outlined in annex V to this document, to provide information and recommendations to the Board with a view to enabling the Board to take an informed decision on the administrative budget of the Fund, including the administrative budget of the interim secretariat, at its first meeting.

DECISION B.1/D.11: Administrative Budget of the Interim Secretariat and of the Board

The Board, having considered document FLD/B.1/7 titled “Administrative budget and report of the interim secretariat” and document FLD/B.1/7.rev.1 titled “Administrative budget and report of the interim secretariat”:

(a) Approves the budget for the Board in the amount of USD 162,168 as set out in table 1 of annex VI to this document;

(b) Approves the administrative budget for the interim secretariat of the fund for responding to loss and damage as set out in table 2 of annex VI to this document for 1 January 2024 to 31 December 2024 in the amount of USD 2,627,177;

(c) Notes that the budget for the Board approved under paragraph (a) above includes the expenditures incurred for the organization of the first meeting of the Board, and the amount approved under paragraph (b) above includes the expenditures and expenses incurred by the interim secretariat since 1 January 2024 until the date of this decision;

(d) Approves a contingency budget of USD 914,262 as set out in table 3 of annex VI to this document to this decision for expenditures that may be incurred or planned for by the Board;

(e) Authorizes the interim secretariat in consultation with the ad hoc subcommittee on budget to execute the contingency budget approved in paragraph (d) above when the expenditure conditions have been met without seeking approval of the Board;

(f) Requests the interim secretariat in consultation with the ad hoc subcommittee on budget to seek the approval of the Board for additional budget as necessary, recognizing that the work programme of the Fund is to be further developed;

(g) Acknowledges that any decisions that the Board may adopt at subsequent meetings of the Board may have budget implications associated with the implementation of the relevant decisions, and therefore requests the interim secretariat in consultation with the ad hoc subcommittee on the administrative budget to provide estimated budget requests in the relevant decision for the consideration of the Board;

(h) Requests the interim secretariat to report to the Board on the execution of the administrative budget at the second meeting of the Board.

Agenda item 10: Process for selecting the Executive Director of the Fund

18. Document FLD/B.1/9 titled “Background paper on the process for selecting the Executive Director of the Fund” and document FLD/B.1/9/Add.1 titled “Addendum to the background paper on the process for selecting the Executive Director of the Fund” were issued to the Board under this agenda item.

19. The Board adopted two decisions under this agenda item: the first decision relates to the establishment of an ad hoc subcommittee on the selection of the Executive Director for the Fund, and the second decision is on the terms of reference for the ad hoc subcommittee on the selection of the Executive Director for the Fund.

DECISION B.1/D.12: Establishment of an ad hoc subcommittee on the selection of the Executive Director for the Fund

The Board, having considered document FLD/B.1/9 titled “Background paper on the process for selecting the Executive Director of the Fund” and document FLD/B.1/9/Add.1 titled “Addendum to the background paper on the process for selecting the Executive Director of the Fund”:

(a) Establishes an ad hoc subcommittee for the selection of the Executive Director of the Fund in accordance with paragraph 22(h) of the Governing Instrument, to be composed of 10 members of the Board: 5 from a developing country and 5 from a developed country;

(b) Appoints as members of the ad hoc subcommittee for the selection of the Executive Director of the Fund:

Mr. Peter Abraham;

Mr. Abdulla Ahmed Balalaa Al Harthi;

Ms. Laurence Ahoussou;

Ms. Antonella Baldino;

Mr. Jens Fugl;

Mr. Djibril Ibila;

Mr. David Kaluba;

Ms. Rebecca Lawlor;

Mr. Sebastian Lesch;

Ms. Elizabeth Thompson;

(c) Requests the ad hoc subcommittee, taking into account the inputs provided by the Board during its deliberation on this agenda item, for consideration and approval by the Board at this session, with World Bank input, as appropriate, to:

- (i) Prepare the draft terms of reference of the Executive Director of the Fund;
- (ii) Prepare the draft selection process for the Executive Director of the Fund, including the timeline for the advertisement for and shortlisting of candidates and for the selection of the Executive Director;
- (iii) Prepare the draft terms of reference for a human resources search firm to support the work of the subcommittee;
- (iv) Prepare the draft terms of reference of the ad hoc subcommittee for its work after the first meeting of the Board.

DECISION B.1/D.13: Terms of reference for the ad hoc subcommittee on the selection of the Executive Director for the Fund

The Board, having considered document FLD/B.1/9 titled “Background paper on the process for selecting the Executive Director of the Fund” and document FLD/B.1/9/Add.1 titled “Addendum to the Background paper on the process for selecting the Executive Director of the Fund”:

(a) Adopts the terms of reference of the ad hoc subcommittee on the selection of the Executive Director of the Fund established under decision B.1/D.12, as contained in annex VII to this document;

(b) Requests the ad hoc subcommittee on the selection of the Executive Director of the Fund, taking into consideration input provided by members of the Board at its first meeting to prepare, with the support of the interim secretariat and with the engagement of the World Bank, for consideration and approval at its second meeting:

- (i) The draft terms of reference for the Executive Director of the Fund;
- (ii) The draft selection process for the Executive Director of the Fund;
- (iii) The draft terms of reference for a human resources search firm to support the work of the ad hoc subcommittee on the selection of the Executive Director of the Fund.

Agenda item 11: Status of resources

20. Document FLD/B.1/10 titled “Status of resources” was issued to the Board under this agenda item.

21. The Board adopted the following decision.

DECISION B.1/D.14: Status of resources

The Board, having considered document FLD/B.1/10 titled “Status of resources”:

- (a) Notes the information contained in document FLD/B.1/10;
- (b) Acknowledges and welcomes the pledges received to date, acknowledges the role of the COP 28 Presidency in this regard, and welcomes the contribution by the Government of Japan for the operations of the interim secretariat;
- (c) Notes the information provided by the World Bank regarding options for transforming pledges into contributions;
- (d) Requests the interim secretariat to provide status reports on progress in this regard.

Agenda item 12: Dialogue with the civil society

22. No document was issued under this item.

Agenda item 13: Dates and venues of future meetings

23. Document FLD/B.1/12 titled “Background paper on the workplan of the Board for 2024” was issued to the Board under this agenda item.

24. The Board adopted the following decision.

DECISION B.1/D.15: Dates and venues of upcoming Board meetings

The Board, having considered document FLD/B.1/2, titled “Background paper on the workplan of the Board for 2024”:

(a) Welcomes the offers from the Philippines and the COP 29 Presidency to host meetings of the Board;

(b) Requests the interim secretariat to consult with the COP 29 Presidency to identify a suitable location in Azerbaijan for the third meeting of the Board, and to conclude the necessary arrangements for the hosting of the meeting, if possible;

(c) Decides that the second meeting of the Board will take place from Tuesday, 9 July to Friday, 12 July 2024;

(d) Also decides that the third meeting of the Board will take place from Sunday, 15 September to Thursday, 19 September 2024;

(e) Further decides that the fourth meeting of the Board will take place from Monday, 2 December to Thursday, 5 December 2024;

(f) Requests the interim secretariat, in consultation with the Co-Chairs, to identify suitable venues for hosting the remaining meetings for the year;

(g) Requests the Co-Chairs to consult with members and alternate members of the Board on the possibility for additional meetings in 2024, as needed;

(h) Also requests the Co-Chairs to explore, in consultation with members and alternate members of the Board, potential dates for the high-level dialogue.

Agenda item 14: Report of the meeting

19. No document was issued under this item.
20. The decisions as adopted and their corresponding annexes are included in this document.

Agenda item 15: Other matters

21. There was no request on other matters to be placed under this item.

Agenda item 16: Closure of the meeting

22. **The** meeting was closed on 2 May 2024.

Annex I

Terms of reference of the ad hoc subcommittee on additional Rules of Procedure

I. Role and functions

1. The role of the ad hoc subcommittee on additional Rules of Procedure (the “ad hoc subcommittee”) is to support the Board in the development and adoption of the additional rules of procedure of the Board pursuant to paragraph 31 of the Governing Instrument (“Rules of Procedure”). The ad hoc subcommittee will carry out the following functions:

(a) Prepare draft Rules of Procedure, taking into account the inputs provided by the Board at its first meeting during its consideration of document FLD/B.1/3 titled “Background paper on additional rules of procedure of the Board”;

(b) Conduct consultations with members and alternate members of the Board between meetings of the Board to obtain further inputs and guidance in the development of the Rules of Procedure;

(c) Invite views from accredited observers of the United Nations Framework Convention on Climate Change on relevant provisions of the draft Rules of Procedure; and

(d) Recommend draft Rules of Procedure for consideration by the Board no later than at the second meeting of the Board.

II. Working modalities

2. Members of the ad hoc subcommittee will serve for its duration as set out in paragraph 6 below.

3. Each member of the ad hoc subcommittee may be supported by one of their advisers, which adviser can attend meetings of the ad hoc subcommittee without the right to intervene.

4. The ad hoc subcommittee will be supported by the interim secretariat.

5. The members of the ad hoc subcommittee shall elect two co-chairs of the ad hoc subcommittee.

III. Duration

6. The ad hoc subcommittee shall function until the conclusion of the mandates referred to in paragraph 1 above.

Annex II

Terms of reference of the ad hoc subcommittee on the selection of the host country of the Board

I. Mandate of the host country of the Board

1. In line with paragraph 15 of decision 1/CP.28 and decision 5/CMA.5, the Board of the Fund will be conferred with the legal personality and the legal capacity as necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat.

2. The Board of the Fund is to select the host country of the Board through an open, transparent and competitive process, with the host country of the Board conferring to the Board the legal personality and the legal capacity as necessary for discharging its roles and functions, in line with paragraph 16 of decision 1/CP.28 and decision 5/CMA.5.

II. Role and functions

3. The role of the ad hoc subcommittee on the selection of the host country of the Board (the "ad hoc subcommittee") is to support the Board in the selection of the host country of the Board, in accordance with the terms of reference and pursuant to paragraph 15 and 16 of decisions 1/CP.28 and 5/CMA.5. The ad hoc subcommittee shall carry out the following functions:

(a) Prepare the draft terms of reference for the selection of the host country of the Board, including the evaluation criteria, for consideration of the Board;

(b) Prepare the draft selection process of the host country of the Board, including modalities, milestones and indicative timeline for the selection process, for consideration of the Board;

(c) Manage the selection process adopted by the Board with a view to provide a report of the ad hoc subcommittee's deliberations, including a recommendation on potential host countries for consideration by the Board;

(d) Conduct consultations with members and alternate members of the Board between meetings of the Board to obtain further inputs and guidance in carrying out its functions;

(e) Regularly report to the Board on the progress of its work.

III. Working modalities

4. Members of the ad hoc subcommittee will serve for its duration as per paragraph 8 below.

5. Each member of the ad hoc subcommittee may be supported by one of their advisers, which adviser can attend meetings of the ad hoc subcommittee without the right to intervene.

6. The ad hoc subcommittee will be supported by the interim secretariat.

7. The members of the ad hoc subcommittee shall elect two co-chairs of the ad hoc subcommittee.

IV. Duration

8. The ad hoc subcommittee shall function until the conclusion of the mandate referred to in paragraph 3 above.

Annex III

Terms of reference for the selection of the host country of the Board

I. Terms of reference

A. Introduction

1. The twenty-eighth session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) and the fifth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decided that the Board of the Fund referred to in decisions 1/CP.28 and 5/CMA.5 will be conferred with legal personality and the legal capacity necessary for discharging its roles and functions, in particular the legal capacity to negotiate, conclude and enter into a hosting arrangement with the World Bank as interim trustee and host of the Fund's secretariat.

2. COP 28 and CMA 5 requested the Board to select the host country of the Board through an open, transparent and competitive process, with the host country of the Board conferring to the Board the legal personality and the legal capacity as necessary for discharging its roles and functions.

B. Call for proposals

3. Parties to the UNFCCC and the Paris Agreement interested in hosting the Board are invited to submit a proposal of not more than 10 pages, accompanied by documentary evidence describing how they would meet the below requirements.

4. Proposals should be received by the interim secretariat to the Fund by 7 June 2024.

5. Proposals should be sent electronically to the interim secretariat [insert mail address] and receipt of each proposal will be confirmed by the interim secretariat.

1. Hosting requirements

6. Countries proposing to host the Board must be able to provide the following:

(b) Legal personality and capacity of the Board

7. The ability to confer to the Board the legal personality and the legal capacity in the host country as necessary for discharging its roles and functions in line with the Governing Instrument.

8. The ability to confer privileges and immunities from every form of legal process to the Board, its funds, assets and other property in the host country.

9. Information on the timeline [expected number of days] after conclusion of a host country agreement with the Board, to take the necessary legal measures, including to conclude any domestic requirements, to confer the legal personality and legal capacity and necessary privileges and immunities for the Board to discharge its functions.

(c) Hosting official business of the Board

10. The ability, commitment, process and timeline of the host country to provide immunity from legal process for all members, alternate members and other attendees invited to participate in the official business of the Board from all legal process in the host country of the Board, with the understanding that such immunity shall continue after termination of their business, and shall apply to the papers and documents, in respect of words spoken or written and all acts performed by them in their official capacity.

11. Simplified and expeditious entry visa procedures and other relevant approvals for Board members and other attendees of all nationalities for the purposes of attending meetings of the Board and related activities.
12. Information on facilities for the official business of the Board, allowing for cost-effective organization of meetings, including with regard to:
- (a) Meeting facilities and the conditions for their use;
 - (b) In-country transport options;
 - (c) Accommodation;
 - (d) Health and emergency services, safety, security;
 - (e) Ease of financial transactions;
 - (f) Digital services and infrastructure (tele- and video-conferencing, web-based interactive platforms, etc.).
13. Information on international transport availability and accessibility.
14. Information on possible city/ies for hosting meetings of the Board.
15. Information on diplomatic representation coverage in the host country.
16. Any financial and/or in-kind support that the host country would be willing to offer.

(d) Any other information that the host country candidate wishes to provide.

Note:

These terms of reference have been prepared by the Board in the context of current circumstances, which may be subject to change, and if so, the Board will inform countries that submitted proposals.”

II. Evaluation criteria against terms of reference

Terms of reference	Evaluation criteria
<i>Legal personality and capacity of the Board</i>	
The ability to confer to the Board the legal personality and the legal capacity in the host country as necessary for discharging its roles and functions in line with the Governing Instrument.	Necessary condition [Official statement from the relevant and appropriate level of authority]
The timeline [expected number of days] after conclusion of a host country agreement with the Board, to take the necessary legal measures, including to conclude any domestic requirements, to confer the legal personality and legal capacity and necessary privileges and immunities for the Board to discharge its functions.	Expected number of days [Official statement and evidence from the relevant and appropriate level of authority]
The ability to confer privileges and immunities from every form of legal process to the Board, its funds, assets and other property in the host country.	Necessary condition [Official statement from the relevant and appropriate level of authority]
<i>Hosting official business of the Board</i>	
The ability, commitment, process and timeline of the host country to provide immunity from legal process for all members, alternate members and other attendees invited to participate in the official business of the Board from all legal process in the host country of the Board, with the understanding that such immunity shall continue after termination of their business, and shall apply to the papers and documents, in respect of words spoken or written and all acts performed by them in their official capacity. Such	Necessary condition; evidence for ability, commitment, process and timeline [Official statement from the relevant and appropriate level of authority]

immunity shall continue to be accorded after termination of their business.	
Simplified and expeditious entry visa procedures and other relevant approvals for Board members and other attendees of all nationalities for the purposes of attending meetings of the Board and related activities.	Necessary condition [Official letter from Foreign Affairs, including process description and information on timeline for visa process]
Facilities for the official business of the Board, allowing for cost-effective organization of meetings, including with regard to: a. Meeting facilities and the conditions for their use; b. In-country transport options; c. Accommodation; d. Health and emergency services, safety, security; e. Ease of financial transactions; f. Digital services and infrastructure (tele- and video-conference, web-based interactive platforms, etc.).	Description, including information on pricing, of: - Capacity of available meeting facilities; - Average rate and different accommodation options; - Description of hospital beds per capita, emergency capacities, availability of multilingual doctors; - Description of banking services and other relevant information related to financial transactions; - Description of digital services coverage, average bandwidth, cyber security related considerations, availability of IT service companies; - Any other information being relevant.
International transport availability and accessibility.	Distance of international airport(s) from proposed cities that may host Board meetings.
Diplomatic representation coverage in the host country.	Description of diplomatic coverage.
Any financial and/or in-kind support that the host country would be willing to offer.	
Possible city/ies for hosting meetings of the Board.	
<i>Other information that the host country candidate wishes to provide</i>	

III. Indicative timeline

Milestone	Time frame (Board meeting)			
	B.1	B.2	B.3	B.4
Adoption of terms of reference	X			
Issuance of call for proposals	X			
Deadline for submission of proposals			X	
Evaluation of proposals received and preparation of the report for the Board			X	
Decision on selection of host country by the Board				X
Completion of domestic legislative processes by selected host country and communication of the legal status in writing to the Board				
Signing of host country agreement between the Board and host country				

IV. Process and next steps

1. The process and next steps are as follows:
 - (a) Interim secretariat to issue, upon conclusion of the first Board meeting, a public invitation to Parties to submit proposals for the hosting of the Board in line with the terms of reference;
 - (b) Proposals to be received by 7 June 2024;
 - (c) Review, evaluation and preparation of the zero-order draft report by the interim secretariat in consultation with the Co-Chairs by 14 June 2024;

- (d) Written comments by members of the ad hoc subcommittee regarding the zero-order draft report by 21 June 2024;
- (e) Interim secretariat to obtain additional clarity from potential host countries as necessary, based on comments received by members of the ad hoc subcommittee;
- (f) Ad hoc subcommittee to review the first draft report by 28 June 2024, and to conduct further consultations with Board members;
- (g) Submission of the final draft report by the ad hoc subcommittee to the Board for its consideration in time for the second Board meeting;
- (h) During the second meeting of the Board, the ad hoc subcommittee will be invited to present its report to the Board for its consideration;
- (i) Board decision on the host country during its second meeting.

Annex IV

Statement of the Board on Direct Access to the World Bank

The Board of the Fund welcomes the engagement with World Bank management during the first meeting of the Board with regards to the operationalization of the Fund as a World Bank-hosted financial intermediary fund and notes that the World Bank has confirmed that it is willing to be flexible to accommodate the needs of the Fund with regards to direct access.

Country ownership, and direct access, lie at the heart of the Fund. They are crucial to the success of the Fund. The Board recognizes that some of the types of entities through which direct access modalities will be operationalized as envisaged in the Governing Instrument are non-traditional partners for the World Bank, and the Board is happy to provide some initial reflections on the Board's expectation regarding direct access in the light of the Governing Instrument.

Paragraphs 49(a) and (b) of the Governing Instrument provide the broad categories of entities through which direct access modalities will be operationalized including, through non-traditional partners for the World Bank such as subnational, national and regional entities (which may include those accredited by GCF, the Adaptation Fund and GEF). Paragraph 49(d) also envisages access to small grants that support communities, Indigenous Peoples and vulnerable groups, and their livelihoods. The activities to be financed by the Fund are set out, in general terms, in paragraphs 6–9, as well as in paragraph 47, of the Governing Instrument.

At this early stage of the Fund's evolution, the Board still has to determine, beyond what is already in the Governing Instrument, the specific types of entities that might access resources from the Fund under direct access modalities or the small grants modality and, in any event, this will need to remain an evolving definition over time. The Board will also in due course need to define in greater detail the access modalities, including in respect of small grants.

Notwithstanding that these matters may only be defined more clearly in due course, the Board will naturally seek to build out the Fund in an orderly manner and in accordance with principles of good governance.

The Board draws the attention of the World Bank to the safeguards and standards that have been built into the Governing Instrument in order to manage the risks associated with entering into financing agreements with non-traditional partners. In particular, the Board draws the World Bank's attention to paragraphs 22(f), 22(m), 49(a), 50, 67 and 68 of the Governing Instrument which highlights the key fiduciary, integrity and environmental and social principles that need to be upheld as well as the functional equivalency that needs to be met by direct recipients and other implementing entities. The Board is committed to adopting the necessary decisions to ensure that these safeguards and standards are in place as soon as possible.

The Board would welcome further engagement with the World Bank on how these safeguards and standards can be developed in a way that meets the needs and risk tolerances of both the Fund and the World Bank.

Annex V

Terms of the ad hoc subcommittee on the administrative budget

I. Mandate

1. The mandate of the ad hoc subcommittee on the administrative budget of the Fund (the “ad hoc subcommittee”) is to review the administrative budget and work programme of the Fund and make recommendations to the Board in the discharge of its functions pursuant to paragraphs 22(n) and 35(e) of the Governing Instrument.

II. Role and functions

2. The role of the ad hoc subcommittee is to review and make recommendations to the Board in its deliberations pursuant to paragraphs 22(n) and 35(e) of the Governing Instrument. In fulfilling this role, the ad hoc subcommittee will:

(a) Review and make recommendations on the proposed administrative budget of the Fund and the interim secretariat, including the budget implications of the staffing structure of the interim secretariat and of the meetings of the Board;

(b) Review and make recommendations on the execution of the expenditures of the administrative budget of the Fund and the interim secretariat;

(c) Review the work programme of the interim secretariat and proposed annual budget of the interim secretariat;

(d) Consider any other matters related to the administrative budget and work programme as referred to the ad hoc subcommittee by the Board.

III. Working modalities

3. Members of the ad hoc subcommittee will serve for its duration as set out in paragraph 5 below.

4. The ad hoc subcommittee will be supported by the interim secretariat.

IV. Duration

5. The ad hoc subcommittee shall function until 31 May 2025.

Annex VI

Proposed administrative budget of the interim secretariat and the Board for the period 1 January–31 December 2024¹

Budget (USD)

Table 1: Board Budget (Logistics of Board and other related meetings)	
TOTAL Board Budget	162 168

Table 2: Administrative Budget for the interim secretariat

Human Resources

Director/Global Specialist/Manager (3 staff)	74 502
Senior Adviser, Programme Specialists, Programme Officers, Associate Programme Officers, Technical Support, Administrative Officer and Specialists (18 staff)	1 612 932
Administrative/Operational/Team Assistants (9 staff)	83 248
<i>Subtotal (Human Resources)</i>	<i>1 770 682</i>

Consultants

<i>Subtotal (6 Consultants)</i>	<i>210 840</i>
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Travel and DSA

<i>Subtotal (Travel and DSA)</i>	<i>461 312</i>
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General operating costs (office space, equipment, supplies, communications, information technology)

<i>Subtotal (General operating cost)</i>	<i>184 343</i>
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TOTAL Interim secretariat	2 627 177
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TOTAL before contingency	2 789 345
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Table 3: Contingency budget

Board-related contingency items (Travel and DSA for Board meetings and related intersessional meetings)	600 469
Interim secretariat relevant contingent items (Staff cost for policy items)	313 793
TOTAL contingency	914 262
TOTAL	3 703 607

Abbreviations: DSA = daily subsistence allowance, GCF = Green Climate Fund, UNDP = United Nations Development Programme.

¹ Each organization will apply its own policies and procedures concerning travel, human resources and general services, and logistical-related activities and associated costs.

Annex VII

Terms of the ad hoc subcommittee for the selection of the Executive Director of the Fund

I. Role and functions

1. The role of the ad hoc subcommittee for the selection of the Executive Director of the Fund (the “ad hoc subcommittee”) is to support the Board in the selection of the Executive Director for the Fund in accordance with these terms of reference and pursuant to paragraph 11 of decisions 1/CP.28 and 5/CMA.5 and paragraphs 22(q) and 33 of the Governing Instrument. The ad hoc subcommittee is to carry out the following functions, with input from the World Bank, as appropriate, taking into consideration the requirements and skills needed for the Executive Director to facilitate the operationalization of the Fund in a visionary manner:

(a) Prepare the draft terms of reference of the Executive Director of the Fund for consideration of the Board as soon as practicable;

(b) Prepare the draft selection process for the Executive Director of the Fund, including the selection criteria, the timeline for the advertisement and shortlisting of candidates, for consideration of the Board as soon as practicable;

(c) Develop the draft terms of reference and the criteria for the selection of the search firm as soon as practicable;

(d) Make recommendations to the Board on the above points for consideration and approval no later than at its second meeting;

(e) Implement the selection process adopted by the Board, with the aim of providing eligible candidates for the consideration of the Board.

II. Working modalities

2. The ad hoc subcommittee will work during meetings. The ad hoc subcommittee will work intersessionally, either in person or virtually as may be necessary.

3. The ad hoc subcommittee will engage with the World Bank to obtain the necessary input as appropriate.

4. Members of the ad hoc subcommittee will serve for its duration as per paragraph 8 below.

5. Each member of the ad hoc subcommittee may be supported by one of their advisers, who can attend meetings of the ad hoc subcommittee without the right to intervene.

6. The ad hoc subcommittee will be supported by the interim secretariat.

7. The members of the ad hoc subcommittee will select two co-chairs of the ad hoc subcommittee.

III. Duration

8. The ad hoc subcommittee shall function until the conclusion of the mandate referred to in paragraph 1 above.
