



**AGREEMENT**

**on the Hosting Arrangements for the  
Secretariat of the Fund for responding to Loss and Damage**

**BETWEEN**

**THE BOARD OF THE FUND FOR RESPONDING TO LOSS  
AND DAMAGE**

**AND**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**



This AGREEMENT on the hosting arrangements for the Secretariat of the Fund for responding to Loss and Damage (the “Fund”) (this “Agreement”) is dated as of the Signature Date (as defined below) and made between the Board of the Fund for responding to Loss and Damage (the “Fund Board” or the “Board”) and the International Bank for Reconstruction and Development (the “World Bank”) (together with the Fund Board, the “Parties,” and each, a “Party”).

**WHEREAS:**

- (A) The Conference of the Parties (the “COP”) to the United Nations Framework Convention on Climate Change (the “Convention”) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (the “CMA”), at their twenty-seventh and fourth sessions respectively (through decisions 2/CP.27 and 2/CMA.4), decided to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on addressing loss and damage, by providing and assisting in mobilizing new and additional resources, and which specify that these new arrangements complement and include sources, funds, processes and initiatives under and outside the Convention and the Paris Agreement;
- (B) The COP and the CMA also decided, in the context of establishing the new funding arrangements, to establish a fund for responding to loss and damage whose mandate includes a focus on addressing loss and damage;
- (C) The COP and CMA, at their twenty-eighth and fifth sessions respectively (through decisions 1/CP.28 and 5/CMA.5 (the “COP/CMA Decisions”)), approved the Governing Instrument of the Fund (as contained in Annex I to the COP/CMA Decisions and as attached hereto as Annex 1, the “Governing Instrument”) in accordance with which the Fund is to be operationalized, and designated the Fund as an entity entrusted with the operation of the financial mechanism of the Convention, also serving the Paris Agreement, which will be accountable to and function under the guidance of the COP and the CMA;
- (D) The COP/CMA Decisions also decided that the Fund Board 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 host of the Fund’s secretariat (the “Secretariat”); and invited the World Bank, subject to certain conditions set out in paragraph 20 thereof, to operationalize the Fund as a World Bank hosted financial intermediary fund for an interim period of four years, starting from the sessions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at which the Board of the Fund confirms that the conditions can be met, with the Fund to be serviced by a new, dedicated and independent secretariat hosted by the World Bank;

- (E) The World Bank has confirmed that it is willing and able to meet the conditions set out in paragraph 20 of the COP/CMA Decisions and has submitted to the Fund Board the documentation referred to in paragraph 19 of the COP/CMA Decisions;
- (F) In Decision FRLD/B.3/D.5, the Fund Board has confirmed, via its report to the COP and CMA, that the World Bank can meet the conditions set out in paragraph 20 of the COP/CMA Decisions during the interim period; and
- (G) The World Bank agrees to act as host to the new, dedicated and independent Secretariat for the Fund in accordance with the terms of this Agreement.

**NOW THEREFORE** the Parties hereto agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

#### **Section 1.01.** *Definitions*

Unless the context otherwise requires, the several terms defined in the preamble to this Agreement shall have the respective meanings set forth therein when used in this Agreement, and the following additional terms shall have the following meanings:

“Co-Chairs” means Co-Chairs of the Fund Board.

“COI Framework” has the meaning ascribed to it in Section 7.02(a) below.

“EIJ” means the Ethics and Internal Justice Vice Presidency of the World Bank.

“Executive Director” means the Executive Director of the Fund, as the head of the Secretariat.

“Executive Director Selection Committee” means a selection committee constituted to oversee the selection of the incoming Executive Director, as it may be constituted from time to time by the Fund Board.

“Host VP” means the Vice President of the Vice Presidential Unit of the World Bank hosting the Secretariat (the “Host VPU”), as set forth in Section 4.01(a) below.

“HR” means human resources.

“Recipients” means the implementing entities and other entities accessing the Fund’s resources via modalities developed by the Fund Board from time to time, pursuant to such processes, policies and/or standards as the Fund Board shall determine.

“Signature Date” means the later of the two dates on which the Parties signed this Agreement.

“Termination Date” has the meaning ascribed to it in Section 8.02(a) below.

“Trust Fund” means the Trust Fund for the Fund for responding to Loss and Damage administered by the World Bank as interim trustee for the Fund.

“Trustee” means the World Bank as interim trustee of the Trust Fund for the Fund for responding to Loss and Damage.

“World Bank Internal Justice Services” means the World Bank mediation services, the Ombuds Services Office, peer review services, and the World Bank Administrative Tribunal.

## ARTICLE II

### THE FUND BOARD

**Section 2.01.** The Fund is governed and supervised by the Fund Board, which is the decision-making body of the Fund and is conferred with the legal personality and the legal capacity as necessary for discharging its roles and functions. The Fund Board is responsible for setting the strategic direction of the Fund and for the Fund’s governance and operational modalities, policies, frameworks and work programme, including relevant funding decisions. The roles and functions of the Fund Board are set out in paragraphs 21-22 of the Governing Instrument.

## ARTICLE III

### HOSTING OF THE SECRETARIAT AT THE WORLD BANK

**Section 3.01.** The Parties agree that the World Bank shall provide its services, in accordance with this Agreement, to host the new, dedicated and independent Secretariat for the Fund based on the following underlying framework, and as further set out in this Agreement:

(a) *Roles and Responsibilities of the Secretariat of the Fund.* The Fund is serviced by the Secretariat, which is accountable to the Fund Board. The Secretariat is led by an Executive Director selected by the Fund Board in accordance with Section 4.03 below. The roles and responsibilities of the Secretariat are set out in paragraphs 32-35, 40, 65 and 67-69 of the Governing Instrument. The Secretariat will, under the guidance of the Fund Board, provide the services described in such provisions to support and facilitate the work of the Fund Board in accordance with the Governing Instrument and this Agreement. In rendering its services, the Secretariat will follow the following principles:

(i) With respect to the day-to-day functioning of the Fund, the Secretariat supports the work of the Fund Board as a liaison between the Fund Board, the Trustee, Recipients and any other relevant stakeholders.

(ii) The role of Secretariat is to provide administrative support to the Fund Board. Accordingly, the Secretariat will not make funding decisions, which are the responsibility of the Fund Board save as provided in paragraph 22(i) of the Governing Instrument. The Secretariat will identify priorities for the Fund Board's consideration in programming and allocation decisions, and will undertake initial review and screening of proposals to assess completeness and conformity with guidelines approved by the Board prior to the Fund Board's consideration. The Secretariat will also coordinate the process for technical review of proposals, as needed. Without prejudice to its roles and responsibilities as described in the Governing Instrument, the Secretariat will play no role in the identification, preparation, appraisal, implementation or monitoring of individual projects, programs or activities, which is the responsibility of Recipients. Recipients will be directly accountable to the Fund Board for carrying out those activities as applicable. Similarly, the Secretariat will not take part in investigations of allegations of fraud and/or corruption with respect to projects, programs or activities financed by the Fund, except that it may collaborate with the Recipient's independent integrity unit or functional equivalent, or other relevant parties to facilitate investigations by sharing relevant information as may be necessary.

(iii) With respect to paragraphs 35(l) and 67-68 of the Governing Instrument, the Fund Board will be responsible for setting fiduciary standards and environmental and social safeguards. Similarly, the Fund Board will be responsible for developing the modalities allowing Recipients to attain functional equivalency with World Bank standards and safeguards. The Secretariat's responsibility will be to facilitate the establishment of a process for the Fund Board's consideration and approval. The Fund Board is responsible for assessing Recipients with respect to such standards and safeguards, based on the minimum standards set out in the Governing Instrument. With respect to paragraph 35(g) of the Governing Instrument, the Secretariat's responsibility with respect to the preparation of financial agreements will be to liaise with the Trustee in connection with the development of such agreements and facilitate the submission of forms of such agreements for the Fund Board's consideration and approval.

(b) *The World Bank as Host of the Secretariat.* The World Bank shall host the Secretariat pursuant to this Agreement, by providing the Secretariat with access to the World Bank's administrative support services, including HR, information technology systems, legal, budget, travel, security, facilities, and internal justice services. Costs, expenses and fees incurred by the World Bank in connection with performing its role as host of the Secretariat shall be fully borne by the Fund (or through other acceptable funding arrangements) in accordance with the World Bank's cost recovery policy. If there are any proposed changes in World Bank policies and procedures that may impact the Secretariat, the World Bank will inform the Executive Director about such proposals. If the proposed changes have a material impact on the ability of the Fund to meet its objectives, as determined by the Executive Director, the World Bank will discuss such changes with the Fund Board.

(c) *Secretariat Staff as World Bank Employees.* Secretariat staff are employees of the World Bank. As such, subject to other provisions of this Agreement, applicable World Bank policies and procedures shall apply to all activities undertaken or managed by the Secretariat staff, including HR policies and procedures which apply to employment conditions for Secretariat staff, and administrative policies and procedures which apply to travel, facilities, corporate security, information security, corporate procurement, administrative expenses and ancillary expenses, among others.

(d) *Legal and Administrative Status of the Secretariat.* The Secretariat is legally and administratively part of the World Bank. It is not a separate legal entity and does not possess the legal personality and legal capacity to take any legal action, including but not limited to, entering into contracts, in its own right.

(e) *Privileges and Immunities of the World Bank.* The World Bank is an international organization established under international treaty and governed pursuant to its Articles of Agreement, which were ratified and signed by the governments of its 189 member countries. It is not resident or domiciled in the United States or any other country and is therefore not subject to regulation in any jurisdiction. The World Bank's Articles of Agreement provide privileges and immunities which limit the ability of member countries to impose regulations or restrictions on the World Bank. These privileges and immunities apply to the Secretariat while it is hosted by the World Bank.

(f) *Other Roles of the World Bank.* The World Bank is expected to act as interim trustee of the Trust Fund. The World Bank may also play the role of an implementing entity of the Fund. The Parties agree that the World Bank shall not be precluded from becoming an implementing entity of the Fund because of the multiple roles played by the World Bank in connection with the Fund, provided that the World Bank meets all other eligibility requirements and conditions of the Fund for implementing entities.

### **Section 3.02. *Senior Level Meetings***

On an annual basis (or such other frequency as may be agreed by the Parties), the senior management of the World Bank and the Co-Chairs shall meet to exchange views on the overall implementation of this Agreement.

## **ARTICLE IV**

### **HUMAN RESOURCES**

#### **Section 4.01. *Secretariat and Host VPU***

(a) Within the World Bank, which serves as host of the Secretariat, the Secretariat sits within the Planet Vice Presidential Unit as the Host VPU, led by the Host VP.

(b) The Executive Director shall report administratively to the Host VP, as a World Bank employee, and shall be accountable to the Fund Board, as the head of the Secretariat.

(c) The role of the Host VP is to ensure that the World Bank provides its services in accordance with this Agreement, and facilitate the smooth operation of the Secretariat within the World Bank.

(d) In instances where the Executive Director or the Fund Board has concerns with respect to the level of service being provided by the World Bank as host, these shall be promptly raised, and jointly resolved, with the Host VP, subject to the available capacities of the World Bank.

**Section 4.02.** *Secretariat Staff*

(a) The Secretariat shall be run by professional and administrative staff with relevant experience, including experience in a range of issues related to responding to loss and damage and experience in financial institutions. All Secretariat staff shall report to the Executive Director.

(b) The Executive Director is responsible for recruitment of Secretariat staff, in accordance with applicable World Bank policies and procedures. The selection of Secretariat staff will be a merit-based, open and transparent process, taking into account geographical and gender balance and cultural and linguistic diversity. The duties and accountabilities of Secretariat staff shall be reflected in the applicable job descriptions or terms of reference in their recruitment, which shall be consistent with the World Bank's Principles of Staff Employment and Staff Rules and any other applicable HR policies and procedures. The Secretariat staff shall not be required to take part in the World Bank rotation practice. Other HR-related practices shall apply to Secretariat staff as provided for in this Agreement.

(c) If the World Bank introduces measures for World Bank staff that may adversely impact the employment conditions of the Secretariat staff, the Executive Director shall notify the World Bank of such adverse impact as soon as possible. Thereafter, the Host VPU and the Executive Director shall consult on and agree whether and how such measures will apply to the Secretariat before implementation, with the agreement reached reflected as part of the Executive Director's regular reporting to the Fund Board as well as in the annual Secretariat workforce plan, as necessary.

**Section 4.03.** *Executive Director of the Secretariat*

(a) The Executive Director shall be selected by the Fund Board, in accordance with the procedures set out in this Agreement. The Fund Board shall approve the job description and required qualifications for the Executive Director, which shall be aligned with the roles and responsibilities of the Secretariat as set out in Annex 1, and consistent with the World Bank's Principles of Staff Employment and Staff Rules and any other applicable HR policies and procedures. A draft of such job description and required qualifications shall be shared with the Host VP for any inputs for consideration prior to approval by the Fund Board.

(b) The Executive Director shall be selected through a merit-based, open and transparent process, aligned with World Bank hiring practices, and shall have the necessary experience and skills for the position, including at a level of seniority set by the Fund

Board, in line with relevant World Bank HR policies. The Executive Director shall be recruited using a search firm selected in accordance with World Bank procurement policies and procedures, and the Executive Director Selection Committee may provide inputs to the World Bank on the selection of such search firm.

(c) As the Executive Director holds a World Bank employment contract, the Host VP shall be invited to provide views at critical steps of the selection of the Executive Director. A representative of the World Bank shall serve as an *ex officio* member of the Executive Director Selection Committee and participate in interviews of the top six (6) candidates with a view to providing advice to the Executive Director Selection Committee Co-chairs but without decision-making power.

(d) The Executive Director shall be exempt from the World Bank rotation practice.

#### **Section 4.04.** *Secretariat Budget and Staffing Plans*

(a) The Executive Director is responsible for workforce planning for the Secretariat, in consultation with the World Bank, and subject to approval of budgets, work plans and staffing plans by the Fund Board. Staffing levels for the Secretariat should be sufficient to enable it to deliver on the Secretariat's work program, as approved by the Fund Board, and the overall staffing structure of the Secretariat shall be aligned with the funding sources for the Secretariat's work program (with respect to factors such as the closing dates of funding sources and the duration of appointments). All staffing decisions shall be made in accordance with the World Bank's HR policies and procedures.

(b) The Host VP shall receive the Secretariat's proposed annual budget and staffing plans once annually, prior to their submission to the Fund Board for approval and with sufficient time for the Host VP to review and provide feedback to the Executive Director.

(c) Following approval by the Fund Board of the Secretariat's proposed annual budget and work plan, the approved amount of the Secretariat's budget shall be transferred to the Secretariat's account from the Trust Fund resources or such other assets held for the Fund, provided that the amounts transferred may be subject to an end of budget period adjustment on the basis of full cost recovery for the services provided during the budget period, as such arrangement may be agreed between the Fund Board and the Secretariat in connection with the aforementioned proposal.

#### **Section 4.05.** *Human Resources; Performance Management and Promotions*

(a) The Executive Director shall be responsible for staff performance evaluation, talent management, promotions, and management of all other Secretariat staff, in compliance with World Bank HR policies and procedures.

(b) The Executive Director shall be assessed annually on their performance. The Executive Director shall be accountable for the performance of the Secretariat and the Secretariat's delivery of its work program to the Fund Board, and the Fund Board shall assess the performance of the Executive Director, building on inputs from the Host VP (on administrative issues), Secretariat staff and others as appropriate. The Host VP shall record the outcome of the assessment of the Executive Director's performance undertaken by the



Fund Board in the World Bank systems. The Executive Director shall be also responsible for ensuring that the Secretariat acts in compliance with applicable World Bank policies and procedures in the performance of its roles and responsibilities.

(c) The Executive Director's employment may be terminated in line with relevant Bank HR policies and procedures: (i) at the initiative of the Fund Board in connection with the Executive Director's performance; (ii) at the initiative of the World Bank, in relation to violation of the World Bank's Principles of Staff Employment and Staff Rules; or (iii) at the initiative of the World Bank, as may be necessary in connection with a termination of the World Bank's role as host of the Secretariat.

## ARTICLE V

### ADMINISTRATIVE MATTERS

#### **Section 5.01.** *Communications*

The Secretariat is responsible for leading and designing communications for the Fund. The Secretariat shall maintain close ongoing contact with the World Bank's External and Corporate Relations Department regarding communications and outreach plans for the Fund to ensure coordination, in accordance with World Bank policies and procedures. The World Bank's External and Corporate Relations Department shall nominate a focal point to engage with the Secretariat. The Secretariat and the World Bank shall agree on standard operating procedures for collaboration between the Secretariat and the World Bank on communications efforts.

#### **Section 5.02.** *External Representation*

(a) The Parties acknowledge that while the World Bank serves as host of the the Secretariat, the Fund, governed by the Fund Board, has an independent and distinct identity.

(b) The Secretariat shall be represented at key climate and high-level events, including the COP and CMA, in sufficient numbers to ensure it can carry out its activities.

#### **Section 5.03.** *Prior Consultations*

If any decision by the Fund Board after the effective date of this Agreement is expected to affect the scope of services provided or to be provided by the World Bank under this Agreement, such a decision shall be developed in close consultation with the World Bank. In the absence of such consultation with and the agreement of the World Bank, the World Bank shall not be obligated to implement any decision of the Fund Board, to the extent that such a decision would modify the scope or manner of activities being undertaken by the Secretariat or otherwise adversely affects the World Bank in its provision of services under this Agreement.

## ARTICLE VI

### FUNDRAISING/FINANCIAL INNOVATIONS AND INPUTS

#### **Section 6.01.** *General*

(a) The Fund Board, with support from the Secretariat, will prepare a long-term fundraising and resource mobilization strategy and plan for the Fund to guide its mobilization of new, additional, predictable and adequate financial resources from all sources of funding, as set out paragraph 56 of the Governing Instrument.

(b) The World Bank shall not impose any fundraising moratoriums on the Fund.

#### **Section 6.02.** *Financial Innovations and Inputs*

(a) The Fund is able to receive contributions from a wide variety of sources of funding, including grants and concessional loans from public, private and innovative sources, as appropriate, as set out paragraph 54 of the Governing Instrument. The Parties shall explore the implications, modalities and options for financial innovations and financial inputs from private and innovative sources for the Fund through early consultation between stakeholders and with adequate due diligence.

(b) It is understood that any financial innovations or financial inputs from private and innovative sources will be subject to due diligence and review procedures carried out by the Trustee in accordance with the Trustee's policies and procedures. The Secretariat will work with the Trustee, as necessary, to support such due diligence and review procedures.

## ARTICLE VII

### CONFLICTS OF INTEREST AND DISPUTE RESOLUTION

#### **Section 7.01.** *Duties and Responsibilities of Secretariat Staff and Conflicts of Interest*

(a) The World Bank's Articles of Agreement provide that officers and staff of the World Bank, in the discharge of their offices, owe their duty entirely to the World Bank and to no other authority. Secretariat staff also have a duty to serve the best interests of the Fund and the Fund Board. Secretariat staff satisfy their duty to the World Bank by fulfilling their responsibilities under their work programs to the Fund and the Fund Board consistent with this Agreement, and acting within the World Bank's HR policies and procedures. Secretariat staff, including the Executive Director, are accountable to the Fund Board for the delivery of their work programs in line with the objectives and purpose of the Fund, and are accountable to the World Bank to meet their duties and responsibilities as World Bank staff.

(b) EIJ can provide advice to Secretariat staff on personal conflicts of interest in the World Bank, including on conflicting duties of loyalty, and on operational conflicts of interest in the World Bank. EIJ can also address any potential cases of staff misconduct.

**Section 7.02.** *Conflicts of Interest Management Framework*

- (a) The Parties may develop a framework (the “COI Framework”) to set out guidance on recognizing and handling conflicts of interest, mitigation measures, and guidance for Secretariat staff on how to address situations with dual accountabilities.
- (b) The Parties shall strive to ensure strong strategic alignment on the overarching vision, mandate, objectives, and modalities of the Secretariat.

**Section 7.03.** *World Bank Internal Justice Services; Dispute Escalation*

- (a) Nothing in this Agreement shall interfere with the right of Secretariat staff and the World Bank to use the World Bank Internal Justice Services, for assistance with and/or resolution of disputes arising within the mandate of the World Bank Internal Justice Services as set out in the World Bank’s Staff Manual.
- (b) In the event of a dispute between the Secretariat and the Host VPU that has an impact on the ability of the Secretariat to fulfill its functions, the Secretariat and the Host VPU shall endeavor to resolve the dispute at the level at which the dispute has occurred. Failing resolution at that level, the Executive Director may escalate the dispute to the Co-Chairs for discussion and resolution with the World Bank.

**Section 7.04.** *Dispute Resolution of the Parties*

- (a) The Parties shall make every effort for disputes that arise in connection with any matters governed by this Agreement to be resolved amicably.
- (b) Any dispute, controversy or claim arising out of or relating to this Agreement, which has not been settled by agreement of the Parties, shall be finally settled by arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules (the UNCITRAL Arbitration Rules) in force on the effective date of this Agreement, and the following provisions: (i) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (ii) the language of the arbitral proceedings shall be English. The arbitral award will be final and binding on the Parties.

**ARTICLE VIII**

**GENERAL PROVISIONS**

**Section 8.01.** *Effectiveness, Amendment*

- (a) This Agreement shall become effective as of the Signature Date.
- (b) This Agreement may be amended only by written agreement of the Fund Board and the World Bank.

**Section 8.02. Termination**

(a) Unless otherwise agreed in writing between the Fund Board and the World Bank, the World Bank's role as host of the Secretariat under this Agreement shall terminate on December 31, 2028 (the "Termination Date").

(b) Either Party may at any time terminate the World Bank's role as host of the Secretariat prior to the Termination Date, by giving the other Party a notice in writing no less than six (6) months prior to any sessions of the COP and the CMA. The World Bank's role as host of the Secretariat shall be terminated after the second session of the COP and the CMA that follows the notice by the terminating Party. In the event that such session of the COP and the CMA has not been held within twenty four (24) months of the terminating Party giving notice, however, the World Bank's role shall be terminated twenty four (24) months after that Party has given notice.

(c) Following termination pursuant to paragraphs (a) or (b) above, the World Bank shall carry on no business as host of the Secretariat except for the purpose of winding up its affairs under this Agreement or to the extent needed to avoid discontinuity in secretariat services. The World Bank shall take all necessary action for winding up its affairs in an expeditious manner. The Fund Board shall take all necessary actions and provide such direction to the World Bank as necessary to complete the winding up without undue delay. All of the powers and rights of the World Bank under this Agreement, including the right to be reimbursed for the fees, costs and expenses incurred by the World Bank, shall continue until the affairs of the World Bank under this Agreement have been fully wound up.

**Section 8.03. Indemnification**

The World Bank shall be fully indemnified, out of the assets held for the Fund, including the Trust Fund resources, and held harmless by the Fund Board, against any liabilities, claims, losses, costs and expenses, including attorneys' fees and expenses, incurred by the World Bank in connection with or arising out of the performance of its roles and responsibilities under Agreement. Such indemnity shall not include any liabilities, claims, losses, costs or expenses incurred by the World Bank as a direct result of its gross negligence or willful misconduct.

**Section 8.04. No waiver of privileges and immunities**

Nothing in this Agreement shall be considered a waiver of any privileges and immunities of: (a) the World Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved; or (b) the Fund Board under any applicable law and agreements, all of which are expressly reserved.

**Section 8.05. Representations**

(a) The Fund Board hereby represents that:

- (i) it is duly established in the Republic of the Philippines and endowed with the legal personality and the legal capacity as necessary for discharging its roles and functions; and
  - (ii) it has the power and authority to execute and deliver this Agreement and act in accordance with the provisions of this Agreement.
- (b) The World Bank hereby represents that:
- (i) it is an international organization duly established and validly existing pursuant to its Articles of Agreement; and
  - (ii) it has the power and authority to execute and deliver this Agreement and act in accordance with the provisions of this Agreement.

**Section 8.06.** *Interpretation*

- (a) All annexes hereto constitute an integral part of this Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Parties.
- (b) References in this Agreement to Articles, Sections and Annexes are to the Articles and Sections of, and the Annexes to, this Agreement. The headings of the Articles, Sections and Annexes are inserted in this Agreement for reference only and shall not be taken into consideration in interpreting this Agreement.

**Section 8.07.** *Notices*

Unless otherwise specified in this Agreement, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail or e-mail to the respective Party's address specified below or at such other address as such Party notifies in writing to the other Party from time to time.

- (a) For the Fund Board:

Secretariat of the Fund for responding to Loss and Damage  
1818 H Street, N.W.  
Washington, DC 20433 U.S.A.  
Attention: Co-Chairs of the Board of the Fund for responding to Loss and  
Damage

Telephone: +1 202-473-1000  
E-mail: [firdsecretariat@fird.org](mailto:firdsecretariat@fird.org)

- (b) For the World Bank:

Director  
Strategy & Operations  
Planet Vice Presidency Unit

The World Bank  
1818 H Street, N.W.  
Washington, DC 20433  
U.S.A.

Telephone: +1 202-458-5478  
E-mail: [frldhost@worldbank.org](mailto:frldhost@worldbank.org)

**Section 8.08.** *Disclosure*

(a) The Fund Board and the World Bank agree that this Agreement will be made publicly available and that any related information on this Agreement in a Party's possession may be publicly disclosed in accordance with the respective Party's policies and procedures with respect to any such information in that Party's possession.

(b) Notwithstanding paragraph (a) above, neither Party shall publicly disclose information in their respective possession related to this Agreement that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information.

AGREED as of the Signature Date.

**THE BOARD OF THE FUND FOR RESPONDING  
TO LOSS AND DAMAGE**

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** Jean-Christophe Donnellier

**Title:** Co chair of the Board

**Date:** 25-Oct-2024

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** richard sherman

**Title:** Co-Chair of the Board

**Date:** 25-Oct-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** Juergen Voegele

**Title:** Vice President

**Date:** 25-Oct-2024

**Annex 1**

**Governing Instrument of the Fund**



## Annex I

### Governing Instrument of the Fund

1. The Fund is hereby operationalized in accordance with the following provisions.

#### I. Objectives and purpose

2. The purpose of the Fund is to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events.

3. Given the urgent and immediate need for new, additional, predictable and adequate financial resources to assist developing countries that are particularly vulnerable to the adverse effects of climate change in responding to economic and non-economic loss and damage associated with the adverse effects of climate change, including extreme weather events and slow onset events, especially in the context of ongoing and ex post (including rehabilitation, recovery and reconstruction) action, the Fund aims to be a new channel for multilateral finance to assist those countries in responding to loss and damage associated with the adverse effects of climate change. The Fund will also endeavour to assist those countries in mobilizing external finance to strengthen their efforts to respond to loss and damage while supporting both the achievement of international goals on sustainable development and the eradication of poverty.

4. The Fund should operate in a manner that promotes coherence and complementarity with new and existing funding arrangements for responding to loss and damage associated with the adverse effects of climate change across the international financial, climate, humanitarian, disaster risk reduction and development architectures. In accordance with the provisions set out in chapter VI below, the Fund will develop new coordination and cooperation mechanisms to help enhance complementarity and coherence and will facilitate linkages between itself and various funding sources, including relevant vertical funds, as appropriate, to, inter alia, promote access to available funding, avoid duplication and reduce fragmentation.

5. The Fund will operate in a transparent and accountable manner guided by efficiency and effectiveness and sound financial management. The Fund will pursue a country ownership approach to programmes and projects and seek to promote and strengthen national response systems through, among other means, the effective involvement of relevant institutions and stakeholders, including non-State actors. The Fund should be scalable and flexible; practise continuous learning, guided by monitoring and evaluation processes; strive to maximize the impact of its funding for responding to loss and damage associated with the adverse effects of climate change while promoting environmental, social, economic and development co-benefits; and take a culturally sensitive and gender-responsive approach.

#### II. Scope

6. The Fund will provide finance for addressing a variety of challenges associated with the adverse effects of climate change, such as climate-related emergencies, sea level rise, displacement, relocation, migration, insufficient climate information and data, and the need for climate-resilient reconstruction and recovery.

7. The Fund will focus on priority gaps within the current landscape of institutions, including global, regional and national institutions, that are funding activities related to responding to loss and damage. To this end, the Fund will provide complementary and additional support and improve the speed and adequacy of access to finance for responding to loss and damage by particularly vulnerable developing countries.

8. The Fund will provide support for responding to economic and non-economic loss and damage associated with the adverse effects of climate change. This support may include funding that is complementary to humanitarian actions taken immediately after an extreme weather event; funding for intermediate or long-term recovery, reconstruction or rehabilitation; and funding for actions that address slow onset events.

9. The support provided by the Fund may include developing national response plans; addressing insufficient climate information and data; and promoting equitable, safe and dignified human mobility in the form of displacement, relocation and migration in cases of temporary and permanent loss and damage.

### **III. Governance and institutional arrangements**

#### **A. Legal status**

10. The Fund will possess international legal personality and appropriate legal capacity as is necessary for the exercise of its functions, the fulfilment of its objectives and the protection of its interests, in particular the capacity to enter into contracts, to acquire and dispose of movable and immovable property, and to institute legal proceedings in defence of its interests. The Fund will enjoy such privileges and immunities as are necessary for the independent fulfilment of its purpose. The officials of the Fund's secretariat will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official duties.

#### **B. Relationship to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

11. The Fund will be designated as an entity entrusted with the operation of the Financial Mechanism of the Convention, which also serves the Paris Agreement, and will be accountable to and function under the guidance of the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).

12. Arrangements for ensuring that the Fund is accountable to and functions under the guidance of the COP and the CMA, consistently with this Governing Instrument, will be concluded between the COP, the CMA and the Board of the Fund for consideration and approval at COP 29 (November 2024) and CMA 6 (November 2024).

13. The Board will:

(a) Receive guidance from the COP and the CMA on its policies, programme priorities and eligibility criteria;

(b) Take appropriate action in response to the guidance received from the COP and the CMA;

(c) Submit annual reports to the COP and the CMA for their consideration.

14. The Board may review the periodicity of the guidance from the COP and the CMA and make a recommendation thereon for consideration by the COP and the CMA.

#### **C. Board**

##### **1. Composition**

15. The Fund will be governed and supervised by a Board that is its decision-making body. The Board will have responsibility for setting the strategic direction of the Fund and for the Fund's governance and operational modalities, policies, frameworks and work programme, including relevant funding decisions.

16. The Board will have an equitable and balanced representation of all Parties within a transparent system of governance.
17. The Board will comprise 26 members, as follows:
- (a) 12 members from developed countries;
  - (b) 3 members from Asia-Pacific States;
  - (c) 3 members from African States;
  - (d) 3 members from Latin American and Caribbean States;
  - (e) 2 members from small island developing States;
  - (f) 2 members from the least developed countries;
  - (g) 1 member from a developing country not included in the regional groups and constituencies referred to in paragraph 17(b–f) above.
18. Each Board member will have an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of a member from all or part of a meeting of the Board, its alternate will serve as the member.
19. The relevant regional groups and constituencies will nominate representatives with the appropriate technical, finance, loss and damage, and policy expertise, with due consideration given to gender balance, to serve as Board members, including alternate members.
20. The Board will enhance the engagement of stakeholders by inviting active observers, including youth, women, Indigenous Peoples and environmental non-governmental organizations, to participate in its meetings and related proceedings.

## 2. Roles and functions

21. The Board will serve the objectives and purpose of the Fund and steer the Fund’s operations so that they evolve with the Fund’s scale and maturity. The Board will exercise strategic leadership and flexibility to allow the Fund to evolve over time.
22. The Board will:
- (a) Oversee the operation of all relevant components of the Fund;
  - (b) Develop and approve operational modalities, access modalities, financial instruments and funding structures;
  - (c) Approve funding in line with the Fund’s criteria, modalities, policies and programmes;
  - (d) Approve a policy for the provision of grants, concessional resources and other financial instruments, modalities and facilities, taking into account access to other financial resources and debt sustainability;
  - (e) Approve specific operational policies and frameworks, including for the programme and project cycle;
  - (f) Develop a mechanism that will help ensure the activities financed by the Fund are implemented based on high-integrity environmental and social safeguards and fiduciary principles and standards;
  - (g) Develop, approve and periodically review the Fund’s results measurement framework;
  - (h) Establish subcommittees, panels and expert bodies, as appropriate, and define their terms of reference;
  - (i) Develop an accountability framework for funding approvals, which may be delegated by the Board to the Executive Director of the Fund, subject to the relevant policies of the host institution;

- (j) Develop a system for allocating resources, as outlined in paragraph 60 below;
- (k) Establish additional thematic substructures to address specific activities, as appropriate;
- (l) Develop relevant indicators and triggers to clarify access to different sources of support provided through the Fund;
- (m) Establish, as appropriate, procedures for the monitoring and evaluation of performance and the financial accountability of activities financed by the Fund, and for any necessary external audits;
- (n) Review and approve the administrative budget and work programme of the Fund and arrange for performance reviews and audits;
- (o) Oversee the operation of all relevant organs of the Fund with respect to the Fund’s activities, including the trustee, secretariat, subcommittees, and expert, advisory and evaluation panels;
- (p) Prepare a long-term fundraising and resource mobilization strategy and plan for the Fund to mobilize financial resources from the sources outlined in paragraph 54 below;
- (q) Select the Executive Director of the Fund;
- (r) Ensure the expeditious disbursement of funds by the host institution in line with the policies and procedures of the Fund;
- (s) Provide recommendations to the COP and the CMA, including information on means to enhance consistency, coordination and coherence with other sources, funds, initiatives and processes under and outside the Convention and the Paris Agreement;
- (t) Exercise other functions, as appropriate, to fulfil the objectives of the Fund.

## **D. Rules of procedure of the Board**

### **1. Co-chairs**

23. The Board will elect two Co-Chairs from within its membership, with one from a developed country and one from a developing country, who will serve a term of one year. The Co-Chairs may be re-elected. If a Board member is elected as Co-Chair, that member may request their alternate member to express the respective regional group’s or constituency’s viewpoint in Board deliberations. However, the Board member retains the right to vote.

### **2. Term of membership**

24. Members and alternate members of the Board are to serve for a term of three years and are eligible to serve additional terms, as determined by their regional group or constituency, for a maximum of two consecutive terms.

### **3. Quorum**

25. A three-fourths majority of Board members must be present at a meeting to constitute a quorum.

### **4. Decision-making**

26. Decisions of the Board will be taken by consensus. If all efforts at reaching consensus have been exhausted, and no consensus is reached, decisions will be taken by a four-fifths majority of the members present and voting. The Board will develop procedures for determining when all efforts at reaching consensus have been exhausted. The Board will adopt procedures for taking decisions between meetings.

**5. Observers**

27. The Fund will make arrangements to allow for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

**6. Stakeholder input and participation**

28. The Fund will establish consultative forums to engage and communicate with stakeholders. The forums will be open to a wide range of stakeholders, including representatives of civil society organizations, environmental and development non-governmental organizations, trade unions, Indigenous Peoples, youth, women, climate-induced migrants, industries and sectors impacted by climate change, community-based organizations, bilateral and multilateral development cooperation agencies, technical and research agencies, the private sector and governments. Participation in such forums should reflect a balance among United Nations geographical regions.

29. The Fund will develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations and the groups most vulnerable to the adverse effects of climate change, including women, youth and Indigenous Peoples, in the design, development and implementation of the activities financed by the Fund.

**7. Expert and technical advice**

30. The Board may establish expert and technical panels to support its work and to provide inputs to the Fund’s activities. These panels may include representatives of relevant constituted bodies established under the Convention and the Paris Agreement.

**8. Additional rules of procedure**

31. The Board will develop additional rules of procedure.

**E. Secretariat**

**1. Establishment**

32. The Fund will be serviced by a new, dedicated and independent secretariat, which will be accountable to the Board. The secretariat will have effective management capabilities to execute the day-to-day operations of the Fund. The secretariat will be run by professional staff with relevant experience, including experience in a range of issues related to responding to loss and damage and experience in financial institutions. The selection of staff will be managed by the Executive Director of the Fund and will be a merit-based, open and transparent process, taking into account geographical and gender balance and cultural and linguistic diversity.

33. The secretariat will be headed by the Executive Director of the Fund, who will be selected by the Board. The Board will approve the job description and required qualifications for the Executive Director. The Executive Director will be selected through a merit-based, open and transparent process and will have the necessary experience and skills for the position.

34. The secretariat will include regional desks for all relevant United Nations geographical regions, the staff of which will build and maintain relationships with relevant actors in their respective regions to facilitate regionally informed decision-making, assessments and planning, as the secretariat undertakes its functions. Regional desks may support and facilitate access to the Fund, as appropriate. The secretariat should also seek to enable multilingual engagement, as appropriate.

**2. Functions**

35. The secretariat will be responsible for the day-to-day operations of the Fund and will:

- (a) Plan and execute all relevant operational and administrative duties;

- (b) Report information on the activities of the Fund to the Board;
- (c) Develop and implement procedures for coordinating the activities of the Fund with those of other relevant funding arrangements;
- (d) Prepare performance reports on the implementation of activities financed by the Fund;
- (e) Develop the work programme and administrative budget of the secretariat, as well as the administrative budget of the trustee, and submit these documents for consideration and approval by the Board;
- (f) Operationalize the programme and project cycle;
- (g) Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;
- (h) Monitor the financial risks of the Fund's portfolio;
- (i) Work with the trustee to support the Board to enable it to fulfil its responsibilities;
- (j) Coordinate monitoring and evaluation of programmes, projects and activities financed by the Fund;
- (k) Establish and apply effective knowledge management practices;
- (l) Establish modalities that allow recipients to use implementing entities, including international, regional, national and local entities, as appropriate, on the basis of functional equivalency with World Bank safeguards and standards;
- (m) Assist countries in engaging with the Fund through its processes and procedures;
- (n) Coordinate with the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change to support countries seeking to access the Fund through technical assistance through the network;
- (o) Take a regionally informed approach in responding to context-specific operational needs, capabilities and priorities of recipient countries;
- (p) Perform any other functions assigned by the Board.

## **F. Trustee**

36. The trustee will administer the assets of the Fund only for the purpose of, and in accordance with, the relevant decisions of the Board. The trustee will hold the assets of the Fund separate and apart from the assets of the trustee, but may commingle them for administrative and investment purposes with other assets maintained by the trustee. The trustee will establish and maintain separate records and accounts in order to identify the assets of the Fund.

37. The roles and responsibilities of the trustee include the receipt of contributions, implementation of the terms of contribution arrangements, the holding and investing of funds, the transfer of funds to implementing entities and/or other relevant recipients, accounting, reporting, and financial and fiduciary management, as well as ensuring compliance with established procedures and internal controls. The trustee will maintain appropriate financial records and prepare financial statements and other reports required by the Board, in accordance with internationally accepted fiduciary standards.

38. The trustee will be accountable to the Board for the performance of its responsibilities as trustee for the Fund.

39. The trustee should ensure that the Fund can receive financial inputs from philanthropic foundations and other non-public and alternative sources, including new and innovative sources of finance.

40. The trustee will arrange for the secretariat or another appropriate mechanism to undertake due diligence to allow for the receipt of non-sovereign contributions.

#### **IV. Operational modalities**

41. The Fund will have a streamlined and rapid approval process with simplified criteria and procedures, while also maintaining high fiduciary standards, environmental and social safeguards, financial transparency standards and accountability mechanisms. The Fund will avoid disproportionate bureaucratic obstacles to the access of resources.

#### **V. Eligibility, country ownership and access**

##### **A. Eligibility**

42. Developing countries that are particularly vulnerable to the adverse effects of climate change are eligible to receive resources from the Fund.

##### **B. Country ownership and access modalities**

43. The Fund will seek to promote and strengthen national responses for addressing loss and damage through pursuing country-led approaches, including through effective involvement of relevant institutions and stakeholders, in particular women, vulnerable communities and Indigenous Peoples.

44. The Fund will be responsive to country priorities and circumstances. The Fund will seek to utilize, where appropriate and available, existing national and regional systems and financial mechanisms.

45. The Fund will promote, in all its operations, direct engagement at the national and, where appropriate, the subnational and local level to facilitate efficiency and the achievement of concrete results.

46. The Fund will involve developing country Parties that are particularly vulnerable to the adverse effects of climate change during all stages of the Fund's programme and project cycle, insofar as their respective projects are concerned.

47. The Fund may provide support for activities relevant to preparing and strengthening national processes and support systems. This may include support for developing proposed activities, projects and programmes, such as planning activities for addressing loss and damage; estimating financial requirements for implementing loss and damage activities; and establishing national loss and damage finance systems.

48. Developing countries may designate a national authority or national focal point to be responsible for overall management and implementation of activities, projects and programmes supported by the Fund. The authority or focal point will be consulted on any requests for funding through any access modalities, including those referred to in paragraph 49 below.

49. The Board will develop various modalities to facilitate access to the Fund's resources. These modalities may include:

(a) Direct access via direct budget support through national governments, or in partnership with entities whose safeguards and standards have been judged functionally equivalent to those of multilateral development banks;

(b) Direct access via subnational, national and regional entities or in partnership with entities accredited to other funds, such as the Adaptation Fund, the Global Environment Facility and the Green Climate Fund;

(c) International access via multilateral or bilateral entities;

(d) Access to small grants that support communities, Indigenous Peoples and vulnerable groups and their livelihoods, including with respect to recovery after climate-related events;

(e) Rapid disbursement modalities, as appropriate.

50. The Fund will develop simplified procedures and criteria for fast-tracked screening to determine functional equivalency with internationally recognized standards of national and/or regional funding entities' safeguards and standards to manage funded programmes and projects in country, as appropriate.

## **VI. Complementarity and coherence**

51. The Fund will play a key role in coordinating a coherent global response to loss and damage between the Fund and the funding arrangements. The Fund will promote efforts that enhance complementarity and coherence, such as the exchange of information and good practices and consultation with existing and new mechanisms.

52. The Fund will develop methods to enhance complementarity between its activities and the activities of other relevant bilateral, regional and global funding mechanisms and institutions in order to better utilize the full range of financial and technical capacities.

53. The Fund will also promote coherence in programming at the national level. The Fund will form partnerships with other funding arrangements to address priority gaps in their activities with the aim of reinforcing those activities and leveraging the resources of the funding arrangements and, as appropriate, to provide additional and complementary sources of finance.

## **VII. Financial inputs**

54. The Fund is able to receive contributions from a wide variety of sources of funding, including grants and concessional loans from public, private and innovative sources, as appropriate.<sup>1</sup>

55. The Fund will have a periodic replenishment every four years and will maintain the flexibility to receive financial inputs on an ongoing basis.

56. The Board will prepare a long-term fundraising and resource mobilization strategy and plan for the Fund to guide its mobilization of new, additional, predictable and adequate financial resources from all sources of funding.

## **VIII. Financial instruments**

57. The Fund will provide financing in the form of grants and highly concessional loans on the basis of the Board's policy for the provision of grants, concessional resources and other financial instruments, modalities and facilities. In its provision of finance, the Fund will make use of, inter alia, triggers, climate impact relevant indicators, debt sustainability considerations and criteria developed by the Board, and take into account guidance from the COP and the CMA.

58. The Fund may deploy a range of additional financial instruments that take into consideration debt sustainability (grants, highly concessional loans, guarantees, direct budget support and policy-based finance, equity, insurance mechanisms, risk-sharing mechanisms, pre-arranged finance, performance-based programmes and other financial products, as appropriate) to augment and complement national resources for addressing loss and damage.

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<sup>1</sup> This paragraph is without prejudice to any future funding arrangements, any positions of Parties in current or future negotiations, or understandings and interpretations of the Convention and the Paris Agreement.



59. The Fund should be able to facilitate the blending of finance from different financial tools to optimize the use of public funding, especially in order to ensure effective results for vulnerable populations and the ecosystems on which they depend.

## **IX. Allocation of funding**

60. The Board will develop and operate a resource allocation system. This system will take into account, inter alia:

(a) The priorities and needs of developing countries that are particularly vulnerable to the adverse effects of climate change, while taking into consideration the needs of climate-vulnerable communities;

(b) Considerations of the scale of impacts of particular climate events relative to the national circumstances, including but not limited to, response capacities of the impacted countries;

(c) The need to safeguard against the overconcentration of support provided by the Fund in any given country, group of countries or region;

(d) The best available data and information from entities such as the Intergovernmental Panel on Climate Change and/or pertinent knowledge from Indigenous Peoples and vulnerable communities on exposure and sensitivity to the adverse effects of climate change and on loss and damage, recognizing that such data, information and knowledge may be limited for specific countries and regions;

(e) Estimates of recovery and reconstruction costs based on data and information from relevant entities, in particular national and/or regional entities, recognizing that such data or information may be limited for specific countries and regions;

(f) A minimum percentage allocation floor for the least developed countries and small island developing States.

61. The allocation system will be dynamic and will be reviewed by the Board.

## **X. Monitoring**

62. Programmes, projects and other activities financed by the Fund will be regularly monitored for impact, efficiency and effectiveness. The use of participatory monitoring involving stakeholders is encouraged.

63. A results measurement framework, with guidelines and appropriate performance indicators, will be developed, considered and approved by the Board. The performance of programmes, projects and other activities against these indicators will be reviewed periodically in order to support the continuous improvement of the Fund's impact, effectiveness and operational performance.

## **XI. Evaluation**

64. Periodic independent evaluations of the performance of the Fund will be conducted in order to provide an objective assessment of the results of the Fund, including of the activities financed by the Fund, and its effectiveness and efficiency. The purpose of these independent evaluations is to inform decision-making by the Board, identify and disseminate lessons learned, and support the accountability of the Fund.

65. The results of the periodic evaluations will be published by the secretariat. They will also be provided as part of the annual report of the Board to the COP and the CMA.

66. The Fund will be subject to periodic reviews conducted by the COP and the CMA. These periodic reviews will be informed by, inter alia, the results of the independent evaluation and the annual reports of the Board to the COP and the CMA.

## **XII. Fiduciary standards**

67. The Fund will ensure that high-integrity fiduciary principles and standards are applied to its activities, and, to this end, the secretariat will work towards ensuring that each implementing entity applies such fiduciary principles and standards when implementing activities financed by the Fund. The secretariat will support the strengthening of the capacities of direct access implementing entities, where needed, to enable them to attain functional equivalency with the World Bank’s fiduciary principles and standards, on the basis of modalities that will be developed by the Board.

## **XIII. Environmental and social safeguards**

68. The Fund will ensure that best practice environmental and social safeguard policies are applied to its activities, and, to this end, the secretariat will work towards ensuring that each implementing entity applies such best practice environmental and social safeguard policies when implementing activities financed by the Fund. The secretariat will support the strengthening of the capacities of direct access implementing entities, where needed, to enable them to attain functional equivalency with the World Bank’s environmental and social safeguards, on the basis of modalities that will be developed by the Board.

## **XIV. Accountability and independent mechanisms**

69. Activities financed by the Fund will be subject to the implementing entity’s independent integrity unit or functional equivalent, which will work with the secretariat to investigate allegations of fraud and corruption in coordination with relevant counterpart authorities and report to the Board on any such investigations.

70. The Fund’s operations, including with respect to activities financed by it, will be subject to the host institution’s policy on access to information. The activities financed by the Fund will also be subject to each implementing entity’s policy on access to information.

71. Activities financed by the Fund will use the implementing entity’s independent grievance redress mechanism to address complaints related to activities financed by the Fund, which will take appropriate action based on any agreements, findings and/or recommendations and report to the Board on any such action.

## **XV. Amendments to the Governing Instrument**

72. The Board may recommend amendments to this Governing Instrument for consideration by the COP and the CMA.

## **XVI. Termination of the Fund**

73. The Board may recommend the termination of the Fund for consideration by the COP and the CMA.