Fund for Responding to Loss and Damage

CLIMATALK

Background
The Fund for Responding to Loss and Damage (FRLD) is a financing mechanism that was established to compensate developing countries after the onset of climate hazards, be that extreme weather events, or harder-to-quantify losses, like loss of culture. Initially announced at the end of COP27 in 2022, the FRLD is intended to address harms that cannot be prevented by mitigation efforts.

SB62 Outcomes
At SB62, negotiations made some progress but fell short of delivering concrete outcomes. While Parties agreed to forward the joint annual report of the Executive Committee and the Santiago Network to COP30, they failed to finalize the draft text for the third review of the Warsaw International Mechanism (WIM). As a result, work will continue at COP30 in Belém. The key sticking points included lack of consensus on how to reflect financial obligations under Article 9.1 of the Paris Agreement, insufficient commitments from developed countries, and disagreements over language and timelines for implementing predictable and accessible FRLD finance.

Party Positions

	Adoption of final decision of the WIM review	Financial Obligations under Article 9.1 (Paris Agreement)	Operationalization of the Santiago Network
AOSIS (Alliance Of Small Island States)	Urged a strong, action-oriented outcome to strengthen the FRLD architecture.	Called for new, adequate, and predictable climate finance on a grant and concessional basis, not loans.	Welcomed its full operationalization and emphasized the importance of linking it with loss and damage finance.
Bolivia (LMDCs)	Frustrated by developed countries avoiding accountability and pushing for dialogue over concrete commitments..	Argued that Article 9.1 remains unfulfilled; demanded that climate finance be a legal obligation, not a voluntary act.	Backed public finance mechanisms for technical assistance through the Santiago Network and its alignment with national plans.
Malawi (LDCs)	Expressed disappointment at the slow progress and urged for concrete outcomes that reflect the urgency for vulnerable communities.	Called for predictable, adequate, and grant-based finance; emphasized additional contributions to the	Supported the Santiago Network's role in enabling technical assistance and highlighted the need for accessible support mechanisms.

		FRLD.	
Final Outcome	No agreement was reached. Parties agreed to defer the review, forwarding an informal note to **COP30** in Belém for further negotiation.	No new financial commitments; deep disagreements persisted, and the matter remains unresolved for COP30.	Significant progress made; the Network is now fully operational and open for proposals

The Road Ahead
Between now and COP30 in November 2025, negotiations on the third review of the WIM will continue, using the informal note from SB62 as a basis. Parties will also refine the strategy of the Santiago Network and assess technical assistance delivery. Pressure will mount for developed countries to commit to predictable finance under Article 9.1, with expectations to finalize decisions at COP30 in Belém.