

20 April 2026

**Eighth meeting of the Board**  
22–24 April 2026  
Livingstone, Zambia  
Provisional agenda item 13

## **Resource mobilization strategy framing paper**

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### **Summary**

This document sets out a two-stage approach to developing long-term resource mobilization strategy.

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## I. Background and context

### A. Background

1. Paragraph 1 of the Governing Instrument of the Fund for responding to Loss and Damage states that the purpose of the FRLD 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, including extreme weather events and slow onset events”. Further, paragraph 4 of the Governing Instrument mandates the FRLD to “operate in a manner that promotes coherence and complementarity with new and existing funding arrangements for responding to loss and damage” and that the FRLD will “develop new coordination and cooperation mechanisms and will facilitate linkages between itself and various funding sources”.

2. In order to conduct its business, the FRLD “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” (Governing Instrument, para. 54), and it will have “a periodic replenishment every four years and will maintain the flexibility to receive financial inputs on an ongoing basis” (Governing Instrument, para. 55).

3. By March 2026, 27 Parties had pledged approximately USD 822 million, with 24 Parties having signed contribution agreements totalling USD 592 million, of which USD 449 million had been transferred to the FRLD Trust Fund.

4. The need for predictable and adequate resources will continue to increase, particularly as the FRLD advances towards full operationalization. The Board is mandated by the Governing Instrument (para. 56) to prepare a long-term fundraising and resource mobilization strategy (RMS) and plan to guide the FRLD in its mobilization of new, additional, predictable and adequate financial resources from all sources of funding.

5. At its seventh meeting (B.7) the Board requested the Co-Chairs, with the support of the Secretariat and in consultation with the Board, to prepare a draft RMS for consideration by the Board at B.9 (decision B.7/D.7, para. (c)). In paragraph (d) of the same decision, the Board requested the Secretariat to facilitate an open, inclusive and transparent consultation process on the draft RMS, and in paragraph (f) of the same decision, the Board requested the Co-Chairs, with the support of the Secretariat, and in consultation with the Board, to prepare a decision for consideration by the Board at B.9, to formally launch the first replenishment process.

### B. Context

6. In accordance with decision B.7/D.7, the Secretariat opened a call to members and alternate members of the Board, advisers and civil society organizations for their inputs on the development of the RMS. The call was open from 8 to 30 January 2026. The inputs were collected by the Secretariat and circulated to the Board for further analysis and review. These inputs became the basis for the Board consultations, held on 23 March 2026, that aimed to advance the discussion of the key elements that inform the RMS.

7. Separately, the Secretariat requested inputs from observers, and these were also collected and shared with the Board and observers. A separate consultation was held with observers on 23 March 2026.

8. These inputs and subsequent consultations have informed an approach to the development of the RMS that is set out in this framing paper for consideration by the Board at B.8. The approach comprises two stages – first, the development of a short-term RMS and second, the development of a long-term RMS.

9. If the Board is supportive of the two-stage approach and adopts the decision, the draft RMS Stage 1 will be developed and used as the basis for a second round of consultations that

will be organized between B.8 and B.9. The final version of RMS Stage 1 will include the outcomes of the second round of consultations and will be presented for the Board’s consideration at B.9.

## **II. Rationale for a proposed approach**

### **A. Purpose of the resource mobilization strategy**

10. The RMS should provide a clear and actionable framework for mobilizing new, additional, predictable and adequate financial resources from a wide variety of sources, including public, private sector and innovative sources. Ultimately, the RMS should support the scaling up of the Fund by securing the resources required to deliver measurable impact.

11. The RMS should strengthen contributor confidence through clarity, transparency, accountability and be anchored into the FRLD’s long-term operational model, while being flexible enough that it can be adapted to an evolving funding landscape. The RMS may be reviewed periodically to ensure that it continues to be aligned with the priorities of the FRLD.

12. Aligned with decision 1/CP.28, paragraph 12, and decision 5/CMA.5, paragraph 12 and decision B.7/D.7, paragraph (b), the RMS should guide the FRLD’s work to:

- (a) Receive contributions from Parties, on a voluntary basis, for activities to address loss and damage;
- (b) Invite voluntary contributions from a wide variety of sources;
- (c) Be able to receive grants and concessional financing from public, private and innovative sources;
- (d) Be able to receive contributions on an ongoing basis as well as in the context of the replenishment.

### **B. Two-stage approach to developing the resource mobilization strategy**

13. One way to balance (a) the need to support the operational continuity of the FRLD in the shorter term and (b) the need to ensure full alignment and complementarity between the long-term operational model and long-term RMS, is to develop the RMS in two stages. A short-term RMS (RMS Stage 1) will address immediate needs and support the continued evolution of the FRLD, while a long-term RMS (RMS Stage 2) will accompany and reinforce the long-term operational model and fulfil the future ambitions of the FRLD.

14. RMS Stage 1 will help the FRLD to establish its specific roles, build and strengthen partnerships, gather information from its initial operations, monetize all current pledges, and undertake the first replenishment, while remaining open for further voluntary contributions. In parallel, the FRLD will continue developing the elements that will underpin the long-term operational model.

15. RMS Stage 2, aligned with a more matured long-term operational model for the FRLD, will be designed to secure sustainable and predictable funding. This comprehensive RMS Stage 2 will be developed on the basis of the practical lessons learned during RMS Stage 1, including insights from the first replenishment and the Barbados Implementation Modalities (BIM), and it will enable the Board to make strategic decisions on how best to respond to the growing and urgent need for loss and damage funding. It will move beyond initial capitalization to establish a robust, multi-contributor framework that will support the financial resilience and capacity of the FRLD to deliver on its mandate in the long term.

16. Overall, this two-stage approach will allow the FRLD to continue operating effectively in the near term while developing a forward-looking, evidence-based long-term strategy informed by lessons learned and the initial operational experience of the FRLD. This approach will also allow for tightly linking the long-term RMS and the long-term operational

model so that they reinforce each other, ensuring a holistic and robust foundation for the FRLD.

### III. The two stages of the resource mobilization strategy

17. The two-stage approach to developing the RMS is outlined below.

#### A. RMS Stage 1

##### 1. Approach

18. RMS Stage 1 will consist of a short-term strategy to ensure operational and financial continuity. The Governing Instrument, in particular paragraphs 54–56, provide sufficient foundation for RMS Stage 1.

19. RMS Stage 1 will focus on supporting the scaling up of the early interventions of the FRLD under the BIM – which is anticipated to be oversubscribed – promoting actions in the short term, while the long-term operational model of the FRLD is being developed. Given the current status of capitalization of the Fund, there is a risk of the Fund exhausting its capital by the end of 2027, which could result in a loss of operational momentum and expose the FRLD to reputational risk. To mitigate these risks, RMS Stage 1 will focus on the short-term time-horizon (through to the end of 2027) and will comprise proactive enabling steps to increase capitalization of the Fund, including:

- (a) Converting existing pledges into signed agreements and then cash transfers;
- (b) Encouraging new voluntary contributions (as part of the replenishment and outside the replenishment process);
- (c) Beginning initial outreach steps targeted to expand the number of contributors beyond the current 27.

##### 2. Strategic considerations during Stage 1

20. The following elements will support a successful RMS Stage 1 and the launch of the first replenishment process, which will be subject to deliberations by the Board at B.9.

21. **Strategic positioning of the Fund.** For the FRLD – a multilateral climate fund entirely focused on loss and damage – it is essential to have a clear and compelling value proposition, demonstrate the unique mandate of the Fund and its impact potential, and deliver early results.

22. **Evidence-based approach.** RMS Stage 1 will take into account initial observations from the BIM, such as the data on demand and information on expected results, most common project types and operational processes. This will ensure scalability and the responsiveness of the Fund.

23. **Urgency and effectiveness of resource deployment.** RMS Stage 1 will support the evolution of the FRLD, enabling it to continue deploying resources in responding to loss and damage needs of countries. Maintaining operational continuity and improving delivery effectiveness and speed will position the FRLD for a more informed and successful RMS Stage 2.

24. **Alignment with the global climate finance landscape.** RMS Stage 1 will seek to promote coherence and complementarity with various funding arrangements, including relevant vertical funds. Further, its aim will be to ensure that the FRLD remains aligned with the evolving global climate finance landscape and contributes to addressing the funding gaps in responding to loss and damage.

25. **Secretariat delivery capacity.** RMS Stage 1 will emphasize the importance of continuing to strengthen the capacity of the Secretariat. These efforts will include strengthening the capacity in the areas related to the resource mobilization and replenishment

(e.g. partnership arrangements, communications capacity, replenishment process management) as well as in the areas related to the deployment of the funds and measuring results and impact (e.g. systems for funding requests monitoring and processing, knowledge management, results measurement, and evaluation systems).

26. **Initial replenishment plan.** RMS Stage 1 will complement and synchronize with the first replenishment process planned for 2026–2027. The detail design of the replenishment process will be developed separately for consideration at B.9 and will include:

- (a) Framing of the replenishment process by outlining goals, priorities and engagement approaches;
- (b) The establishment of a dedicated replenishment process and team led by a high-level champion;
- (c) A replenishment road map with clear timelines and milestones.

## B. RMS Stage 2

27. The development of RMS Stage 2 will start following the implementation of RMS Stage 1 and the first replenishment process. RMS Stage 2 will advance concurrently with the development of the long-term operational model, and the timing of the Board’s consideration of the RMS Stage 2 document will be informed by the readiness of the long-term operational model. This concurrent development will ensure clarity of the long-term RMS as well as clarity of the long-term operational model (e.g. more mature governance and operational policies).

28. RMS Stage 2 will be designed to contribute to the financial sustainability and operational effectiveness of the FRLD, and will be guided by, among other things:

- (a) A clearly defined timeline linked to the operational maturity of the FRLD;
- (b) A long-term operational model of the FRLD, including robust monitoring and evaluation systems;
- (c) Strong framework for coherence and complementarity within the broader climate finance architecture;
- (d) Lessons learned from RMS Stage 1 and the first replenishment;
- (e) Data and lessons from early interventions under the BIM;
- (f) The Secretariat’s plan for continued scaling up its capacity.

## IV. Conclusion

29. Decision B.7/D.7 requested the Co-Chairs, with support of the Secretariat and in consultation with the Board to prepare a draft RMS for consideration by the Board at B.9.

30. After initial consultations among the Board (through written submissions of inputs and consultation sessions) a two-stage approach to developing the RMS began to emerge.

31. This framing paper, which summarizes this two-stage approach and provides a platform for discussion by the Board, is intended to enable the Secretariat, under the guidance of the Co-Chairs, to commence the development of the draft RMS (Stage 1) for consultation in advance of B.9 and, ultimately, consideration at B.9.