

19, April 2024

Dear Loss and Damage Fund Board Members,

Congratulations on your appointment to the board of the Loss and Damage Fund (LDF). We are grateful for your acceptance of this responsibility and your commitment to such a significant task. We understand the urgency of the moment and the immense challenges posed by climate change. The success of the LDF is crucial for achieving the goals of the Paris Agreement, supporting communities on the frontlines of climate impacts, and advancing a more equitable and just world.

We, as Catholic organizations with a strong presence in more than 160 countries, inspired by the teachings of Pope Francis and Catholic Social Teachings, are dedicated to addressing both the "cry of the earth and the cry of the poor." Guided by Integral Human Development, we believe in the potential of all people to flourish. We witness firsthand the devastating impacts of climate disasters across the globe, from droughts and typhoons to cyclones and other extreme weather events. These events result in losses and damages that affect the most vulnerable members of our global community, depriving them of their physical, financial, natural, social, psychological, spiritual, and human well-being. Considering the background, we strongly urge you to take action on the priorities outlined in this letter.

In 2023, over 600 faith leaders from around the world signed a statement entitled "Loss and Damage: The Moral Case for Action," outlining key priorities for the Loss and Damage Fund:

- 1) The fund must be accessible, ensuring that communities in need across the Global South get the money they require to recover, and be masters of their own future.
- 2) The fund must be comprehensive, supporting both responses to economic as well as non-economic losses and damages, for extreme weather events and slow-onset events such as sea-level rise and desertification.
- 3) The fund must be restorative, providing grants not loans based on the polluter pays principle.
- 4) The fund must be representative, underpinned by human rights safeguards and the principle of subsidiarity, and governed by an equitable board acting in the common good.
- 5) The fund must be efficient and effective, providing rapid response when disasters strike, long-term support to protect from future damages, and acting as the flagship global fund to address losses and damages alongside other funding arrangements.

As the board begins its work, we urge you to take heed of these important priorities, which have been informed by moral reflection and our experience of serving communities around the world and responding to their needs. Specifically, we call on you to:

- Ensure quickly (no later than June 12) that the World Bank can host the LDF as a Financial Intermediary Fund as set out in the COP28 decision text¹. In the case that the World Bank is

¹ [Operationalization of the new funding arrangements, including a fund, for responding to loss and damage referred to in paragraphs 2–3 of decisions 2/CP.27 and 2/CMA.4. Draft decision -/CP.28 -/CMA.5. Proposal by the President \(unfccc.int\)](#)

unable to host the LDF, then the board needs to act quickly to instruct the Conference of Parties (COP) and the Conference of Parties serving as the meeting of the Parties to the Paris Agreement (CAMA) to operationalize the Fund as an independent standalone institution. To this point, transparency must be upheld to ensure trust.

- Ensure funding modalities that are accessible, effective, and debt-free. Debt repayments are crippling many developing countries and those that are particularly vulnerable to climate risks. Climate finance from developed nations, often provided as loans, must not be perpetuated by the LDF. It must also establish a window for small grants for vulnerable groups to receive directly the urgent funding they desperately need to rebuild their lives and livelihoods.
- Whilst ensuring that the core objective of the LDF is to address losses and damages (defined as ex post climate impacts), also consider how this funding can support and complement initiatives that build climate resilience, recognizing that preventing future losses and damages is a priority for impacted communities.
- Bring a holistic perspective to the objectives of the LDF and avoid the distinction between economic and non-economic losses and damages. Climate-induced Loss and Damage goes beyond material possessions, encompassing the loss of ancient land, culture, ways of life, faith, mental health, and loved ones. Recognizing that non-economic losses and damages have tangible economic impacts is crucial for addressing the full scope of loss and damage.
- The LDF must prioritize amplifying the voices and experiences of climate-vulnerable communities and countries. It must also tackle the acute impact of losses and damages on food production and food security. Embedding a food systems approach to its programming is essential, including by supporting initiatives that provide immediate holistic relief to communities grappling with hunger and malnutrition due to climate change. Additionally, the board must ensure that the rehabilitation of agricultural land destroyed by climate impacts is both sustainable and resilient.
- A new long-term fundraising strategy to ensure that the Fund is well-resourced to fulfill its purpose and address the true scale of need. This needs to include specifying the relationship between the LDF and funding arrangements. For transparency, efficiency, and effectiveness, it will be critical for the board to specify how the LDF fund will act as a “platform for facilitating coordination and complementarity under the funding arrangement”²

Our sincere hope is that the board will work collaboratively, efficiently, and effectively to assist the most vulnerable individuals who are suffering from the climate crisis, especially women, youth, disabled, elderly, and indigenous peoples who are particularly impacted. We look forward to working closely with you on this critical issue and together hope that we can better ensure that the LDF fulfills its promise to those in dire need, whose lives have been adversely affected by climate change. In the midst of the most difficult of times, this Fund serves as a beacon of hope and holds the power to make a meaningful difference in the lives of those who are most in need.

² [Report of the Conference of the Parties on its twenty-eighth session. Addendum \(unfccc.int\)](#)

Other signatories

