Operationalising the Community/ Small Grant Access Modality for the Fund for Responding to Loss and Damage (FRLD).

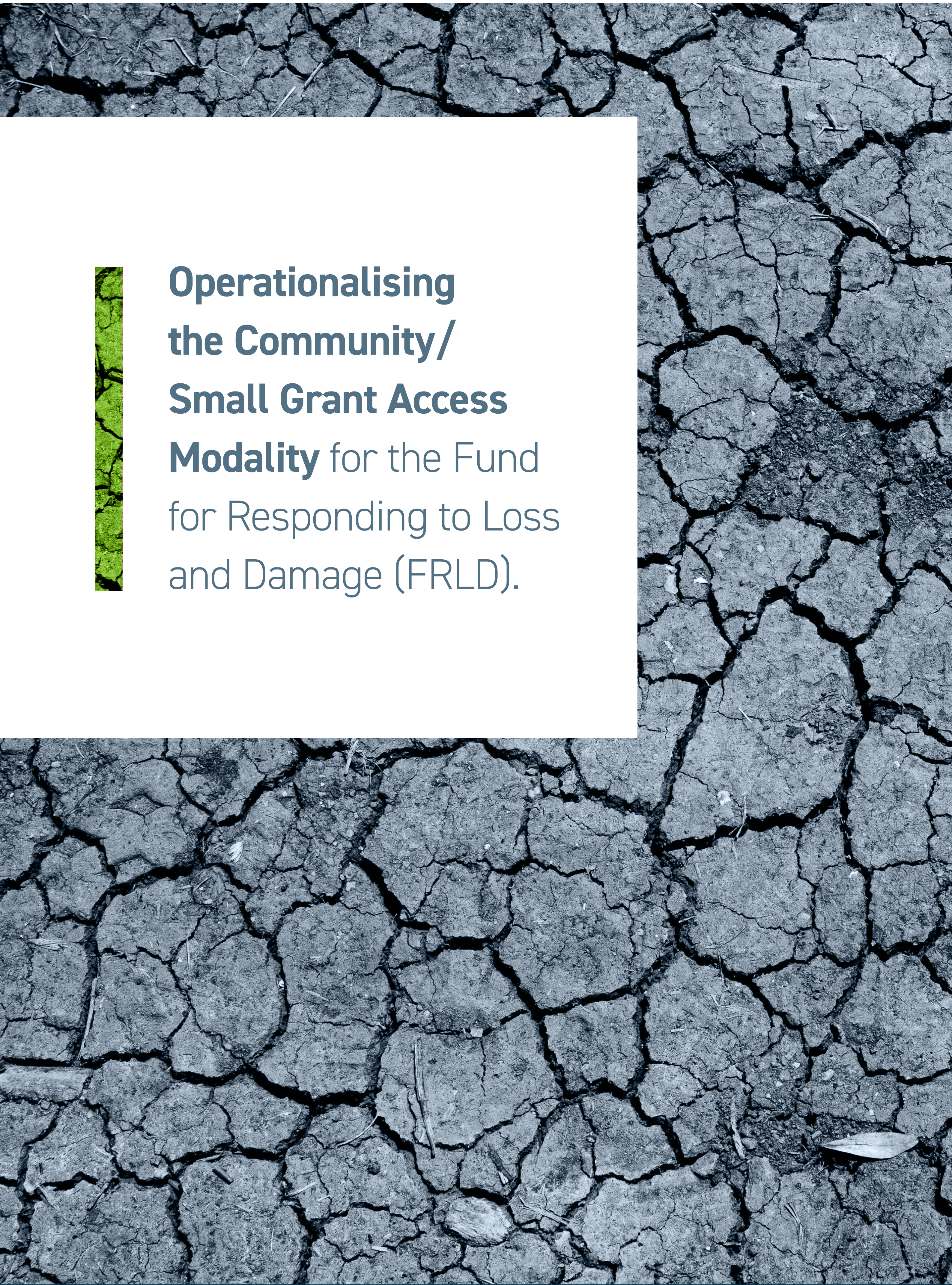

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TABLE OF CONTENTS

1.0. CONTEXT AND URGENCY 4

1.1. Current Status 4

1.2. The Community Access Gap 5

2.0. PROPOSED COMMUNITY/SMALL GRANT ACCESS MODALITY 8

2.1. Funding Architecture 8

2.2. Direct Access Mechanisms 10

2.3. Implementation Modalities 10

3.0. OPERATIONAL FRAMEWORK 12

3.1. Application and Approval Process 12

3.2. Capacity Building and Technical Assistance 13

3.3. Monitoring, Evaluation, and Learning 13

4.0. GOVERNANCE AND SAFEGUARDS 14

4.1. Enhanced Governance 14

4.2. Safeguards and Risk Management 14

5.0. RESOURCE REQUIREMENTS 15

5.1. Scaling Up Requirements 15

6.0. RECOMMENDATIONS 16

7.0. CONCLUSION 18

1.0. CONTEXT AND URGENCY

1.1. Current Status

In providing the primary legal basis for responding to climate change, the United Nations Framework Convention on Climate Change (UNFCCC) was explicit on the need to stabilise greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. It noted that “such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner.”[1]

The Parties to the Convention have so far failed to achieve the Convention’s objective to stabilise GHG concentrations. This failure has resulted in losses and damages associated with the adverse effects of climate change and has compromised parties’ ability to adapt to the effects of climate change. More frequent and intense extreme climate events have caused widespread related losses and damages to nature and people beyond those caused by natural climate variability. The recent IPCC reports show worsening trends regarding the effects of climate change, and call on Parties to urgently respond to the losses and damages.

Under the UNFCCC, the first major decision on loss and damage was taken at the 19th Conference of the Parties to the UNFCCC (COP19), which established the Warsaw International Mechanism for Loss and Damage (WIM). The WIM serves as the main catalyser under the UNFCCC process for enhancing knowledge, coherence, action and support to avert, minimise and address climate-related loss and damage in developing countries, who are particularly vulnerable to the adverse effects of climate change[2].

The Paris Agreement in Article 8 further enshrined the importance of averting, minimising and addressing loss and damage, as well as the role of sustainable development in reducing the risk of loss and damage. In recognition of the need to complement the finance mechanism under the Convention and its Paris Agreement, and to establish dedicated support for loss and damage, the Conference of the Parties (COP) and the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA), through decisions 2/CP.27 and 2/CMA.4, established new funding arrangements for assisting developing countries in responding to loss and damage.[3] In this context, a fund for responding to loss and damage was established, with a mandate that includes addressing loss and damage to assist developing countries in responding to economic and non-economic loss and damage, including from extreme weather events and slow-onset climate events.

At their 28th and 5th sessions respectively, the COP and CMA operationalised the Fund for responding to Loss and Damage (FRLD) as an entity entrusted with operating the Financial Mechanism of the UNFCCC, which would also serve the objectives of the Paris Agreement. The fund acknowledged the importance of addressing both economic and non-economic losses (loss of livelihoods, cultural heritage, displacement) due to extreme weather and slow-onset climate events.

1 https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf

2 https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/introduction#loss-and-damage

3 https://unfccc.int/loss-and-damage-fund-joint-interim-secretariat#tab_home +

Following agreement at the fifth Board meeting of the Fund for responding to Loss and Damage (FRLD) in Bridgetown, the FRLD began operations with an initial envelope of USD 250 million for its start-up phase (2025-2026). At its 5th meeting, the Board established the Barbados Implementation Modalities (BIM) to respond to loss and damage. The BIM consists of a first set of interventions for the calendar years of 2025 and 2026, for a total of USD 250 million.[4] The BIM will finance country-led initiatives to address climate change-induced loss and damage, while also serving as a learning opportunity to shape the longer-term operational framework of the Fund".

The remainder of this paper identifies the gap in current access arrangements, and proposes a dedicated community and small grant access modality within the Fund. It outlines practical options across the funding architecture, access and implementation mechanisms, operational processes, and governance arrangements, concluding with recommendations to inform decisions on the FRLD at COP30.

1.2. The Community Access Gap

A. Scale of Need

The IPCC First Assessment Report, published in 1990, and the IPCC Supplementary Report, issued in 1992, played a vital role in guiding the adoption of the UNFCCC in 1992.[5] The Working Group II report in the IPCC's first assessment and its supplementary report emphasised the possible adverse effects of climate change on lives and livelihoods. The UNFCCC affirmed that responses to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter. It should also take into full account developing countries' needs for the achievement of sustained economic growth and the eradication of poverty[6].

As such, the UNFCCC recognises the legitimate right of developing countries to develop. In this context, delays in climate action that hinder or reverse development progress can themselves be considered a form of loss and damage, reinforcing the urgency of timely and adequate responses to climate change.

Vulnerable communities experience the impacts of climate change most directly and acutely. In the IPCC AR6 Working Group II report, it is stated that "widespread and severe loss and damage to human and natural systems are being driven by human-induced climate changes, increasing the frequency and/or intensity and/or duration of extreme weather events, including droughts, wildfires, terrestrial and marine heatwaves, cyclones and flood. Extremes are surpassing the resilience of some ecological and human systems and challenging the adaptation capacities of others, including impacts with irreversible consequences. Vulnerable people and human systems and climate-sensitive species and ecosystems are most at risk."[7] According to the report, over 20 million people have been internally displaced annually by weather-related extreme events since 2008, with storms and floods the most common drivers. This demonstrates the significant impact climate change has on vulnerable communities.

4 https://unfccc.int/sites/default/files/resource/FRLD_B.5_14_Report_of_the_fifth_meeting_of_the_Board.pdf

5 https://www.unep.org/resources/report/climate-change-ipcc-1990-and-1992-assessments#:~:text=The%20IPCC%20First%20Assessment%20Report%20was%20completed,Policymaker%20Summary%20of%20the%20IPCC%20Special%20Committee.

6 https://unfccc.int/resource/docs/convkp/conveng.pdf

7 https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_TechnicalSummary.pdf

Climate-vulnerable communities, particularly in LDCs and SIDS, face immediate loss and damage due to the effects of climate change that require rapid, flexible responses, which traditional large-scale funding cannot provide[8]. These communities also lack access to large-scale climate finance due to bureaucratic and technical barriers[9]. Small grants enable rapid, flexible, and localised responses to loss and damage, such as rebuilding after disasters or addressing slow onset impacts like sea-level rise[10]. As such, small grants are a fit-for-purpose form of climate finance that can get much needed funds for addressing losses and damages to communities in times of need.

Existing Barriers

Current climate change funds under the UNFCCC and its Paris Agreement show persistent challenges in getting climate finance to communities. Some of the challenges are laid out below:

- Green Climate Fund (GCF) – There is a general view that less than 5% of GCF funding reaches community levels. This view is supported by the information in the GCF-1 Progress report.
- However, GCF recognises the challenge in channeling funds effectively to the local level and highlights its continuous work to improve direct access and impact at the community level[11]. Nevertheless, further efforts are needed to ensure that the GCF's commitment to local adaptation translates into tangible benefits for vulnerable communities.[12]
- Adaptation Fund – The Adaptation Fund pioneered the direct access modality for climate finance. While this approach empowers countries, communities, and local stakeholders to access climate finance, they often face limited direct access due to challenges, including capacity-building needs and institutional barriers. Complex application processes, stringent fiduciary requirements, and bureaucratic hurdles also hinder direct access for smaller community-based organisations[13].
- Bilateral climate finance – Bilateral climate financing is predominantly government-to-government. While some activities may be executed at the local level, the decision-making is domiciled at the national level. Projects may, therefore, not align with the climate finance priorities of local communities.

As demonstrated by these persistent barriers for community access to climate finance for loss and damage, there is a clear and urgent need for a dedicated small grants or community access modality for climate finance.

8 https://doi.org/10.1016/j.wace.2014.06.001

9 https://doi.org/10.1016/j.worlddev.2020.105383

10 https://unfccc.int/sites/default/files/resource/Oxfam-Australia_Loss-and-Damage-Report-2_July-2023.pdf

11 https://www.greenclimate.fund/news/accelerating-climate-action-communities-seven-new-projects-set-implementation#:~:text=GCF%20has%20been%20working%20to,the%20project%20to%20begin%20implementation.

12 https://www.tandfonline.com/doi/full/10.1080/14693062.2022.2093152

13 https://www.adaptation-fund.org/wp-content/uploads/2015/03/DirectAccessMemo29_Oct_2012.pdf

2.0. PROPOSED COMMUNITY/SMALL GRANT ACCESS MODALITY

The strongest advocates for the community/small grants access modality have been the civil society organisations. Their call for the modality aligns with the vision of many African countries, who view proactive efforts to climate events as more impactful than reactive efforts, when losses and damages have already occurred. The Governing Instrument of the Loss and Damage Fund, which provides the mandates for the FRLD Board's work, clearly establishes that "access to small grants that support communities, Indigenous Peoples and vulnerable groups and their livelihoods, including with respect to recovery after climate-related events" must be a central feature of the Fund[14]. In this letter to the Board of the FRLD, signed and endorsed by over 350+ organizations -national, regional and international -, they noted that it is necessary to showcase community access as a distinct access modality at Fund level, and to ensure that a significant and growing share of the Fund's resources is dedicated to communities direct access in order to secure priority support for vulnerable communities as a central tenet of its funding mission[15].

2.1. Funding Architecture

Grant categories for the FRLD have been proposed based on established climate finance precedents and community funding needs, underscoring the importance of a community/small grant access modality within the Fund. The proposed categories are unpacked below.

A. Micro-grants: USD10,000 – USD100,000

Noting the capacity constraints of many communities, a micro-grants category would facilitate community access without the complex fiduciary requirements. Such a category would enable a swift response to loss and damage events, ensure the preservation and documentation of traditional knowledge, support emergency community resilience efforts, and assist with small-scale infrastructure repair and protection. This grant category has already proved effective, as demonstrated by the success of the Indigenous Peoples Assistance Facility (IPAF) under the International Fund for Agricultural Development (IFAD), which provides grants of USD 20,000-USD 50,000 for Indigenous community projects.[16] And the Small Grants Programme (SGP) of the Global Environment Facility, which provides grants up to USD 50,000 for community-based environmental projects[17].

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14 Decision 5/CMA.5

15 https://cdn.prod.website-files.com/605869242b205050a0579e87/668d50b42a8dff43f5764263_Open%20letter%20to%20the%20members%20of%20the%20LDF%20Board%20-%20community%20access%20window.pdf

16 https://www.ifad.org/documents/48415603/49810422/IPAF_e.pdf/bf6e7576-a5a2-866a-3be4-e6bb8b398683?t=1726643272229#:~:text=Through%20small%20grants%20of%20up,the%20public%20and%20private%20spheres.

17 https://www.thegef.org/what-we-do/topics/gef-small-grants-program

B. Small Grants: USD 100,000 – USD 500,000

Based on established climate finance precedents and community funding needs, the purpose and scope of this category are to: finance climate-proofing of community infrastructure, support livelihood restoration and diversification, promote ecosystem-based adaptation and restoration, and facilitate coordination among multiple villages' initiatives. The reference models for this category are: the Green Climate Fund's Enhanced Direct Access (EDA) pilot programme with USD 200 million approved, which includes funding in this category for Direct Access Entities[18]; the Adaptation Fund Enhanced Direct Access (EDA), which provides grants up to USD250,000 for national implementing entities[19], and the Amazon Fund Community Grants, which provide USD 100,000-USD 400,000 for community-based forest conservation[20].

C. Medium Grants: USD500,000 – USD2,000,000

Based on established climate finance precedents and community funding needs, the purpose and scope of this category are to: promote regional multi-community initiatives, support significant infrastructure climate adaptation, facilitate comprehensive livelihood transformation programmes, and encourage ecosystem restoration at landscape scale. The reference models for this proposed category are: the GCF project FP061 in Eastern Caribbean, which includes "small grants for community organisations" as part of larger resilience programming[21], and the Adaptation Fund Regular Grants, which typically range from USD 1-10 million, with smaller projects around USD 2 million[22].

With the launch of the BIM under the start-up phase of the FRLD, it is imperative to consider a pilot programme under the community access window. This would be grounded on the Board's decision that the BIM will support bottom-up, country-led and country-owned approaches to loss and damage that promote and strengthen national responses to loss and damage, and deliver results and positive impacts for particularly vulnerable developing countries. This would be achieved through building national responses and systems through effective engagement of all relevant stakeholders, including communities in climate-vulnerable situations. This is in accordance with decisions 1/CP.28 and 5/CMA.5, annex II, paragraph 18, with the aim of testing, learning and refining operational modalities, access modalities, financial instruments and funding structures[23].

2.2. Direct Access Mechanisms

Direct access is one of the distinctive features of the Green Climate Fund. This feature allows developing countries to access financial resources through national entities, meaning that climate finance can be channeled to countries directly. For the FRLD, although the concept of direct access is relevant, the Fund needs finance to reach the community level and not just the national level. Some of the core principles for successful community direct access are outlined below.

18 https://www.rd.usda.gov/programs-services/community-facilities/community-facilities-direct-loan-grant-program

19 https://www.adaptation-fund.org/wp-content/uploads/2019/11/Direct-Access-June-2020.pdf

20 https://www.giz.de/en/downloads/giz2024-en-amazon-fund-for-forest-conservation-and-climate-protection.pdf

21 https://www.thegrantportal.com/

22 https://www.adaptation-fund.org/apply-funding/locally-led-adaptation/lla-single-country-grants/#:~:text=The%20Adaptation%20Fund%20pioneered%20the,US%20$20%20million%20per%20country.

23 https://unfccc.int/sites/default/files/resource/FRLD_B.5_14_Report_of_the_fifth_meeting_of_the_Board.pdf

- **Country Ownership** – This principle assumes that the national government acts in the best interest of communities as the policy custodian for low emission, climate-resilient development. The national government therefore nominates and endorses community-level entities for direct access to the FRLD under the appropriate category (micro, small, or medium) as highlighted above. Successful implementation of this principle requires careful consideration of country capacity constraints, and lessons learnt from similar projects under different funds.
- **Local leadership** – This principle aligns with the concept that 'what is done without us, is not for us'. This concept informs public participation and participatory decision making. The communities would therefore maintain decision-making authority over project design and implementation regarding community direct access modalities.
- **Capacity Building** – This principle appreciates that capacity building needs to evolve according to the design of different funds, and the relevant fiduciary standards and capacity required to for accessing those funds. It further appreciates the institutional constraints of communities and the significant capacity constraints exacerbated by several diverse circumstances. It therefore calls for systematic support to build institutional capacity of community entities to enable the accessing of funds through a community direct access modality.
- **Risk Proportionality** – This principle acknowledges that accreditation requirements should be proportionate to grant size and institutional capacity, thus removing some of the barriers to community climate finance access.

2.3. Implementation Modalities

Considering the categories proposed earlier in the document, the implementation modalities of community climate finance direct access should take a three-tier access structure:

- **Tier 1: Direct Community Access.**

Under this tier, access to grants under USD500,000 would be managed directly by accredited community entities. It would use simplified reporting focused on outcomes, rather than detailed financial tracking. If possible, application processes and documentation would also be provided in local languages.

- **Tier 2: Intermediate Access**

This tier would facilitate community access to grants between USD500,000 and USD2,000,000 through accredited national or regional intermediaries. It would incorporate enhanced technical support and capacity-building components for communities. There would also be shared risk management between intermediaries and communities. This tier should ensure the intermediary does not retain significant resources intended for the community for overhead costs, as has been a major challenge with the current funds under the UNFCCC, such as the Adaptation Fund and the Green Climate Fund.

- **Tier 3: Enhanced Direct Access**

This would facilitate access to grants over USD2 million by establishing graduated support systems that correspond with the unique circumstances of the targeted community. This could include cascaded governance for the project that provides for sub-executing entities beyond the implementing and executing entities that are already provided for in the governance of the different climate change funds. It would leverage peer learning networks and South-South exchange components for shared experiences. It would also incorporate innovation and scaling potential requirements.

3.0. OPERATIONAL FRAMEWORK

3.1. Application and Approval Process

Learning from the current application and approval processes for accessing finance from the FRLD, which the African Group has consistently highlighted as barriers to access to various funds under the UNFCCC, particularly for the majority of Least Developed Countries in Africa, the design of application and approval procedures for community access modalities could consider incorporating the following proposed approach:

1. Streamlined Application

Proposals for grants under USD500,000 should be processed through a simplified, streamlined procedure. The proposals should not exceed 15 pages and must follow clear, simple, and concise templates. Due to internet connectivity issues faced in many developing countries in Africa, particularly the LDCs and SIDs, both online and offline submissions should be possible. Developing straightforward, mobile-friendly application platforms could help facilitate the process. Additionally, providing translation support in major regional languages should be provided to accommodate communities across different regions where various UN languages are prevalent.

2. Rapid Review Process

One of the challenges in accessing different funds under the UNFCCC is the lengthy application review process. Given the rapidly changing circumstances related to adaptation, and loss and damage, this time delay remains a barrier that the FRLD is eager to address. For an effective community access modality, a 30-day technical review for micro-grants would be suitable. For small and medium grants, review processes of 60 days and 90 days, respectively, would be appropriate. These timeframes would ensure funds are utilised effectively to achieve the desired outcomes before local conditions evolve. Implementing rolling application windows instead of fixed calls would also generate more impact over time.

3. Decision-Making

The bottom-up approach, identified by the FRLD as a key pillar of its access modalities, values participatory decision-making, where community voices and the perspectives of indigenous peoples are meaningfully considered. To support this, review panels should include indigenous individuals and community representatives to ensure their needs and unique circumstances are appropriately reflected. Technical advisory support from the scientific community and traditional knowledge holders should also be sought to facilitate informed decision-making. In addition, the opinions of civil society organisations (CSOs) and other non-state actors representing community and indigenous voices should formally be taken into account, particularly when approving community projects under USD500,000.

3.2. Capacity Building and Technical Assistance

Grants for readiness support and project preparation facilities have been instrumental during the application process for GCF projects and programmes. The embedded support during the project implementation and post-implementation has also facilitated success against the expected outcome. An improved version of this modality, incorporating the elements proposed below, would be critical for the community access modality of the FRLD.

- **Pre-Application Support** – This should entail regional technical assistance facilities, proposal development workshops, mentoring, financial management training programmes, digital literacy, and technology access support. This would facilitate community access to grants below USD500,000 without additional financial burden on the communities.
- **Implementation Support** – Capacity building and technical assistance during project implementation are essential. This support should focus on flexible disbursement schedules aligned with community needs, real-time technical support through regional hubs, peer-to-peer learning networks and exchanges, and crisis response along with adaptive management protocols.
- **Post-Implementation** – This support should include capacity building and technical assistance related to outcome harvesting, storytelling approaches to evaluation, platforms for knowledge capture and dissemination, support for scaling and replicating successful interventions, and fostering long-term relationships for ongoing access.

3.3. Monitoring, Evaluation, and Learning

Monitoring, evaluation, and learning are essential for building capacity over time. As communities go through monitoring and evaluation in relation to their grant access, they can identify successes and challenges, thereby highlighting areas for improvement for greater impact. Two approaches could be useful to facilitate successful and impactful monitoring, evaluation and learning.

1. Community-Centered Monitoring and Evaluation

This approach involves self-reporting systems with community-defined indicators, participatory evaluation methods and community scorecards, focusing on resilience outcomes and well-being improvements. It also integrates traditional knowledge systems and indicators.

2. Learning and Adaptation

This approach involves annual learning reviews with community representatives, real-time feedback systems and adaptive management, cross-regional knowledge sharing platforms, and integration with global loss and damage research initiatives.

4.0. GOVERNANCE AND SAFEGUARDS

4.1. Enhanced Governance

Different institutional structures are commonly considered for the efficient and effective implementation and governance of climate change projects. These include but are not limited to project steering committees, grievance redress committees, community planning committees, and sub-national steering committees. For improved governance, these structures should have broad representation that includes seats for marginalised communities in a way that also integrates gender into governance.

To improve governance of the FRLD, the Board should establish a dedicated Indigenous Peoples constituency seat, community-based organisation observer status with speaking rights, regional community advisory panels with formal input mechanisms, and women and youth community representatives.

In the decision-making processes specifically, there should be community consultation requirements for policy decisions affecting access, transparent criteria for the appeals processes, regular community feedback sessions, grievance mechanisms, and an annual community assembly with Board participation.

4.2. Safeguards and Risk Management

Environmental and social safeguards, though vital, should be simple yet comprehensive for optimal effectiveness in the community access modality. Safeguards must be suited to the grant scale, include community-led environmental and social impact assessments, incorporate free, prior, and informed consent protocols for Indigenous territories, and feature gender-responsive and youth-inclusive design requirements.

To facilitate financial risk management for the community access modality, there should be graduated fiduciary requirements based on grant size and entity capacity, pooled risk management and insurance mechanisms, transparent fund flow tracking with community oversight, and anti-corruption measures adapted to community contexts.

5.0. RESOURCE REQUIREMENTS

The Board, at its fifth FRLD Board Meeting, has already launched the start-up financing phase under the BIM amounting to USD 250 million, covering the calendar years 2025 and 2026. The board declared that an amount in the range of USD 5 million to 20 million may be allocated to each of the activities, projects, and programmes during the BIM start-up phase, subject to funding criteria to be approved by the Board[24]. While it is not possible to establish a dedicated community access modality during the BIM start-up phase, there are other opportunities to integrate and channel resources to communities, including through the design of funding criteria and the governance arrangements of the Fund.

1. Funding Criteria

With the funding criteria is yet to be established, there is an opportunity to ensure that financing during the start-up integrates the core principles for community direct access outlined in the 'Direct Access Mechanisms' section of this paper. Integrating these principles would ensure that approved projects incorporate key components dedicated to community priorities, Financing will therefore contribute to securing funding that meets the needs and priorities of those most affected by loss and damage effectively and equitably.

2. Governance of the Fund

While the Board will adopt existing governance frameworks from other climate change funds for the start-up financing phase, the Board could be intentionally explicit in facilitating the inclusion of local organisations working at the community level as implementing partners. Alternatively, the local organisation could work closely with Implementing Entities as the executing partners, facilitating joint strategy and project development.

5.1. Scaling Up Requirements

Direct community access to loss and damage climate finance will need to be scaled up. In the second phase of financing the BIM, potentially for the years 2027 and 2028, an independent community access modality should be established to facilitate scaling up. Following the established funding mechanism, the independent modality should comprise a core funding programme of at least USD150 million, which consists of a community/small grants portfolio of USD100 million, a technical assistance facility of USD25 million, capacity building and readiness of USD15 million, and monitoring, evaluation, and learning of USD10 million. The implementation of this pilot will inform subsequent decisions and operational guidelines, including the succeeding community portfolios.

24 https://unfccc.int/sites/default/files/resource/FRLD_B.5_14_Report_of_the_fifth_meeting_of_the_Board.pdf

6.0. RECOMMENDATIONS

Based on the discussions in this brief, some elements that could be considered or included in the relevant decision texts during the 30th Conference of the Parties to the UNFCCC and its Paris Agreement on the FRLD, for consideration by the Board, to facilitate equitable community access to climate finance for climate-related losses and damages are outlined in the recommendations below.

1. Leveraging Similar Existing Modalities

The development of a community access modality for the FRLD should leverage the extensive experience and proven methods of existing financing mechanisms that have effectively channelled climate finance directly to communities. These established modalities offer valuable insights into operational frameworks, governance structures, and implementation strategies that can be adapted to suit the specific characteristics of loss and damage financing. The Global Environment Facility Small Grants Programme serves as a particularly pertinent example, demonstrating over thirty years of successful community-based environmental funding. The GEF-SGP's approach provides several important lessons for designing community access to the FRLD: inclusive targeting, simplified access procedures, and incorporation of local governance, etc.[25] The programme prioritises projects that involve indigenous people, women and youth.[26]

2. Mandate to develop a Community Access Modality

The FRLD Board could decide to operationalise community/small grant access by 2027, and initiate processes for ensuring a community access modality under the fund. This would complement other existing successful modalities managed, such as the GEF SGF. Other critical elements for inclusion in the mandate are: a minimum allocation target of 20% of total resources by 2027 for the community access modality with a commitment to scale this up to 35% by 2030, simplified access procedures with 60-90 day maximum approval timelines, and a dedicated technical assistance facility with an initial capitalisation of USD 25 million.

3. Further Guidance for Direct Budget Support Modality

One of the most critical modalities established by the board that could support community projects is direct budget support. However, additional guidance is necessary to realise this goal. The Board could develop a series of guidance notes outlining how governments can assist communities.

4. Operational Framework

To optimise the operational framework for the community access modality, the decision text could include the following: approval for a three-tier access structure with differentiated requirements, simplified access for entities seeking <USD 2M grants, establish rolling application processes instead of fixed funding windows, and enable applications in local languages along with community-appropriate reporting.

As the FRLD has yet to receive the anticipated resources needed to address the evolving needs of developing countries concerning loss and damage, the decision should also include clear replenishment targets, including allocations for community access, strategies for private sector and philanthropic partnerships, development of innovative financing instruments, and integration with other climate finance mechanisms.

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25 https://www.thegef.org/what-we-do/topics/gef-small-grants-program

26 https://www.thegef.org/sites/default/files/publications/SGP-Manual_Digital-%20FINAL.pdf

7.0. CONCLUSION

Implementing a Community/Small Grant Access Modality for the FRLD offers a vital chance to direct climate finance to those most impacted by climate-related loss and damage. COP30 should capitalise on this opportunity to foster a transformative strategy for a community access modality under the FRLD that emphasises community ownership, upholds Indigenous rights, and provides quick and adaptable support where it is most required.

The ultimate measure of the FRLD's success will only be its government-to-government transfer efficiency, but also its capacity to connect with and empower communities at the forefront of climate loss and damage. COP30 must commit to turning this potential into reality by making concrete promises on community access, providing sufficient resources, and adopting transformative operational strategies.