

30 September 2025

Seventh meeting of the Board

7–9 October 2025

Manila, Philippines

Provisional agenda item 7

Funding cycle for the Barbados Implementation Modalities

Summary

This document describes the proposed funding cycle for the Barbados Implementation Modalities (BIM), as contained in the annex to this document. The Board is invited to consider and adopt the funding cycle. Thereafter the funding cycle will be embedded into the terms of reference for the call for funding requests under the BIM.

This document also sets out key decision points that the Board is invited to deliberate and decide on in relation to the funding cycle. These decision points are as follows:

- (a) Approving the approach for the funding cycle;
 - (b) Launching the call for funding requests at the United Nations Climate Change Conference in Belém, Brazil, from 10 to 21 November 2025 and setting a period for the call for funding requests from the date of the launch;
 - (c) The Board will also be invited to consider an option for direct access entities to submit funding requests in addition to national authorities or national focal points designated by countries that will submit funding requests in accordance with decision B.5/D.4.
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I. Context

1. Paragraph 22(e) of the Governing Instrument mandates the Board to approve specific operational policies and frameworks, including for the programme and project cycle, and paragraph 35(f) mandates the Secretariat to operationalize the programme and project cycle. At its fifth meeting (B.5) the Board requested the Secretariat to develop, under the guidance of the Co-Chairs, an initial project/programme cycle for the Barbados Implementation Modalities (BIM) (decision B.5/D.4, para. 19(m)(i)). The Secretariat proposed an initial project/programme cycle and received feedback during consultations with the Board. The Board further deliberated on the proposed elements at B.6.

2. The funding cycle contained in the annex to this document has been updated in the light of comments received from the Board at B.6 as well as the Board consultations held in advance of B.7. It sets out a structured process for the development, approval and implementation of funding requests under the BIM, and contains a description of each step of the funding cycle.

3. The proposed funding cycle is intended to be applied to projects/programmes and direct budget support (DBS). However, the review requirements and timeframe may differ depending on the access modality selected by countries for DBS.

4. For the purposes of simplifying terminology, the initial project/programme cycle is referred to as the “funding cycle” and proposals/funding requests to be submitted to the FRLD are referred to as “funding requests”. Letters signed by the designated national authorities or national focal points that indicate their endorsement of the funding request (applicable subject to the Board’s consideration of the elements under Section 3) are referred to as “letters of endorsement”. International, regional, national and subnational entities approved by the Board to access the FRLD are referred to as “access entities” (AEs).

II. Proposed funding cycle for the Barbados Implementation Modalities

5. The funding cycle proposed in the annex to this document comprises a simplified and streamlined process which aligns with the mandate and principle that the FRLD provide timely and accessible support, as set forth in paragraph 41 of the Governing Instrument. It consists of an 11-step process from origination to review, approval, implementation and closure.

6. Under the proposed funding cycle, countries submit funding requests that undergo Secretariat review based on an assessment methodology, with the selected funding requests then being submitted to the Board for consideration and approval. A preliminary description of the assessment methodology, to be finalized on the basis of the Board’s decisions at B.7, is presented in annex II to document FRLD/B.7/8 “Initial funding criteria for the Barbados Implementation Modalities”.

7. In considering the adoption of the funding cycle, the Board is invited to consider the following key elements of the funding cycle: (1) the single-step approach to the funding cycle; (2) the launch and duration of the call for funding requests; (3) which entities may submit funding requests in addition to the national authorities or national focal points designated by countries; and (4) approval of funding requests at Board meetings on a rolling basis. Where relevant, these elements are reflected in brackets within the funding cycle presented in the annex.

A. Single-step approach to the funding cycle

8. At B.6, the Secretariat proposed a single-step approval process, in which funding requests are directly submitted without prior concept notes, with a view to streamlining the funding cycle and managing the limited resources of the Secretariat.

9. In response to the comments from the Board at B.6, a two-step approval cycle was also considered, in which countries would submit concept notes for review and endorsement by the Secretariat before submitting their funding requests. However, upon further assessment, this option is not recommended because of (1) increased transaction costs for countries and the Secretariat in undertaking two layers of submissions; (2) additional steps and processes required for the Secretariat to review and endorse concept notes; and (3) the delayed timelines for approval and disbursement of funding due to the additional layer of review.

10. If adopted, the Board may draw lessons from the single-step approach during the BIM to inform the subsequent phases of the FRLD.

B. Launch and duration of the call for funding requests (step 2 of the funding cycle)

11. Subject to the Board's decisions at B.7 regarding the operationalization of the BIM, the call for funding requests together with the necessary templates and guidelines, will be finalized after B.7 in preparation for the launch. It is proposed to launch the call during the United Nations Climate Change Conference in Belém, Brazil (COP 30) in November 2025, which will allow for impactful coverage and a wide audience.

12. The call for funding requests is proposed to be open for a certain period, to be determined based on the outcome of the Board's decisions on access modalities. The duration will be sufficient to allow countries to provide the requested information in their funding requests, while also acknowledging that the call cannot remain open-ended, given the limited resources of the Secretariat at this stage.

C. Submission of funding requests by access entities with a letter of endorsement signed by the designated national authorities or national focal points (step 3 of the funding cycle)

13. Paragraphs (j) and (o) of decision B.5/D.4 indicate that national authorities or national focal points designated by developing country Parties may submit funding requests. This also applies in cases where countries choose to engage AEs, in which case the funding request would be required to include a confirmation of engagement and endorsement from a designated representative of the AE. In anticipation of such cases, the Board may also consider whether AEs may submit funding requests with a letter of endorsement signed by the designated national authorities or national focal points. In this case, funding requests would be required to demonstrate country-led and country-owned approaches, including consultations. The Secretariat will not consider any funding requests without a letter of endorsement.

14. In considering the above, it is noted that the approach of only designated national authorities or national focal points submitting funding requests to the FRLD enables better alignment with a country-led and country-owned approach and is consistent with the guidance for the designation of national authorities or national focal points adopted in decision B.6/D.3. In addition, this approach would help to avoid multiple AEs each submitting individual funding requests for a similar scope of activities for the same country. However, for countries with limited resources available for responding to the call for funding requests, an option of allowing AEs to submit funding requests could allow for greater

inclusion, and may also facilitate the submission of multi-country projects. This option is marked in brackets in the funding cycle shown in the annex, under step 3.

D. Approval of funding requests at Board meetings on a rolling basis (step 8 of the funding cycle)

15. On the basis of the Secretariat reviews of funding requests under the BIM, the Secretariat will submit the selected funding requests to the Board for consideration at Board meetings. It is proposed that the consideration of funding requests by the Board be done on a rolling basis at Board meetings, with the first batch at B.9 (July 2026). This enables those funding requests that are deemed mature and ready for approval to be considered at the earliest possible Board meeting, thereby enhancing responsiveness, accelerating disbursement for countries and maximizing learning for the post-approval phases. The remaining funding requests may be approved at future Board meetings or remain in the pipeline for consideration post-BIM, subject to available commitment authority.

16. The Secretariat will report on the status of the pipeline and remaining commitment authority at every Board meeting in order to inform the Board in its consideration of further allocation for the BIM.

E. Referring to proposals/funding requests submitted to the FRLD as funding requests

17. Decision B.5/D.4 refers to both proposals and funding requests; however, for the purposes of clarity and simplification of terminology, it is proposed to use the term “funding requests” going forwards.

III. Considerations regarding the conformity review (step 5 of the funding cycle)

18. After the completeness check, each funding request will be assessed against the eligibility activities and funding criteria (see annex I of document FRLD/B.7/8 “Initial funding criteria for the Barbados Implementation Modalities”) as well as how it conforms with environmental and social safeguards (ESS) (including gender) policies/standards at the level of the project/programme and DBS. However, the scope of conformity review will differ depending on whether or not an AE (international, regional, national or subnational) is engaged by the country.

19. In cases where countries access the FRLD through AEs (including for DBS), the AE is responsible for conducting due diligence based on its own ESS (including gender) policies and standards. In this case, during the conformity review, the Secretariat will conduct a light screening to confirm that the AE’s due diligence has been completed as required.

20. In cases where countries access the FRLD without an AE (for direct access via DBS through national governments), an ESS (including gender) review will be conducted on a case-by-case basis at the project/programme activity level or at the level of the expected results and outcomes for which DBS is requested. This may have implications on the timeframes for completing step 5 of the funding cycle.

Annex

Funding cycle

No.	Stage	Indicative description	Timeline for Secretariat action	Role
1	Origination	Funding request development led by the country		Countries
2	Call for funding requests	Launch call for funding requests for the BIM for both projects/programmes and DBS	COP 30 (10–21 November 2025)	FRLD Secretariat
3	Submission of funding requests	- Single country funding requests: submission by the national focal point or national authority of the country [<i>and access entities with a letter of endorsement signed by the designated national authorities or national focal points</i>] - Multi-country funding requests: submission by the national focal point or national authorities by all countries involved, with letters of endorsement from all countries attached [<i>and access entities with a letter of endorsement signed by the designated national authorities or national focal points of all countries involved</i>]	[X-month submission window from the date of launch]	Countries, through the national focal points or national authorities
4	Completeness check	A completeness check is conducted by the Secretariat to confirm that all sections of the funding request template are completed correctly. For funding requests that are marked as incomplete, the Secretariat will inform the countries and request them to resubmit their completed funding request(s) to the Secretariat.	7 days	FRLD Secretariat
5	Review	A review is conducted by the Secretariat to ensure alignment with the eligible activities and funding criteria for the BIM. Steps include: (a) Screening against the eligible activities (b) Parallel review: (i) Technical review against the funding criteria for the BIM. The Secretariat will review and assess funding requests and will share review comments with countries; (ii) Conformity review against the specifications of the TOR (fiduciary risk review, ESS/gender review, and legal review)	14 days per iteration	FRLD Secretariat

No.	Stage	Indicative description	Timeline for Secretariat action	Role
6	Country response to the review	Taking into account the review of the Secretariat, countries may provide responses and may amend and resubmit funding requests to address the comments from the Secretariat.		Countries (with AEs), where relevant and as determined by countries)
7	Selection and submission of funding requests for Board approval	Based on the review, the Secretariat will select funding requests for recommendation to the Board for approval, while ensuring the resource allocation parameters for the BIM are met. The selected funding requests, as well as the Secretariat's assessment, are submitted to the Board for consideration at each relevant Board meeting. The remaining funding requests will stay in the pipeline, with the possibility of being considered at future Board meetings.	21 days before Board meeting	FRLD Secretariat
8	Board approval	The Board approves funding requests on a rolling basis.	At Board meetings, starting at B.9	FRLD Board
9	Signing legal agreements	The interim Trustee signs standardized legal agreements with countries and/or AEs, on behalf of the Board as per the Trustee Agreement. The legal agreements will specify the disbursement requirements and processes.		Interim Trustee
10	Implementation	After signing the legal agreement, disbursements will follow the requirements of the selected modality and the agreed structure of the approved funding requests.		FRLD Secretariat and interim Trustee
		Monitoring, evaluation and learning, including simplified reporting and mid-term and final evaluations, as per the results measurement framework for the BIM.		Countries (AEs), where relevant and as determined by countries) Review by FRLD Secretariat
11	Closure	Operational and financial closure		FRLD Secretariat and interim Trustee

Abbreviations: AE = access entity, B.x = meeting of the Board, BIM = Barbados Implementation Modalities, COP = Conference of the Parties, DBS = direct budget support, ESS = environmental and social safeguards, TOR = terms of reference.