

# **Only \$250 Million Available Against a \$2.8 Billion Demand: Loss and Damage Fund Faces Crucial Test in Manila**

The international Loss and Damage Fund, established under the United Nations Framework Convention on Climate Change (UNFCCC) to support countries suffering from climate change impacts, is facing a critical financial challenge. While climate-vulnerable developing countries have submitted projects requiring nearly US\$2.8 billion, the Fund currently holds only around US\$250 million, raising serious concerns over its ability to meet growing global needs.

The ninth Board meeting of the Loss and Damage Fund began on Wednesday in Manila, Philippines, at the headquarters of the Asian Development Bank (ADB). The three-day meeting aims to finalize key operational arrangements for delivering financial support to developing countries experiencing climate-related loss and damage, including Bangladesh.

According to information presented to the Board, 198 project proposals were submitted from 118 countries, of which 176 proposals passed the initial screening. The selected projects require approximately US\$2.8 billion for implementation. However, with only US\$250 million currently available, Board members and climate advocates have expressed deep concern over the significant funding gap.

Of the shortlisted proposals, 81 are from Africa, 49 from Asia and the Pacific, 42 from Latin America and the Caribbean, and four from Eastern Europe.

Bangladesh, one of the world's most climate-vulnerable countries, has sought financial support for addressing

climate-induced flooding in the northern region, riverbank erosion, displacement, coastal salinity intrusion, and the rehabilitation of affected communities. Bangladesh and other vulnerable nations have consistently argued that financing for climate-related loss and damage should be provided as grants rather than loans, reflecting the historical responsibility of developed countries.

Speaking at the meeting, Philippines Environment Secretary Juan Miguel T. Cuna, whose country chairs the regional alliance in 2026, stressed that the time for discussion has passed and that decisive action is now required. He highlighted the Philippines' "ALON" initiative, which focuses on restoring coastal ecosystems, protecting livelihoods, and strengthening climate resilience.

As discussions continue in Manila, Bangladesh has once again witnessed the devastating human cost of climate change. Heavy rainfall triggered a landslide at a Rohingya refugee camp in Cox's Bazar, killing seven schoolgirls and one teacher at a girls' school. The tragedy has reinforced calls for greater investment in long-term climate adaptation, safer infrastructure, and accessible loss and damage finance.

Climate finance advocates say the current level of funding falls far short of actual needs.

Harjeet Singh, Convener of the Fill the Fund Campaign, identified three major challenges facing the Fund: increasing financial resources, accelerating the delivery of support, and ensuring direct access for affected communities.

"The first challenge is the scale of finance," he said. "The fragmented and inadequate pledges currently on the table are nowhere near sufficient to meet the real needs of communities suffering climate impacts. We need a long-term resource mobilization strategy that goes far beyond symbolic contributions."

He also highlighted delays in operationalizing the Fund, noting that although the historic decision to establish it was taken at COP27 in Sharm El-Sheikh in 2022, more than three and a half years have passed before financial support is beginning to reach affected countries.

“The third challenge is access,” Singh added. “Funding must not become trapped in bureaucratic processes. It should reach the countries, communities, local organizations, and civil society groups that are responding directly to climate impacts.”

Sohanur Rahman, Executive Coordinator of YouthNet Global, emphasized that climate-vulnerable countries should not be burdened with additional debt.

“Loss and damage finance must be grant-based, not loan-based,” he said. “The effectiveness of the Fund will depend on how quickly, transparently, and accountably resources reach the people who need them most. Local communities, civil society organizations, and community-based initiatives must have direct access to the Fund.”

Experts believe the ultimate success of the Loss and Damage Fund will not be measured solely by the amount of money it raises, but by how rapidly, transparently, and effectively those resources reach climate-affected communities.

The Board meeting will continue until Friday, when members are expected to adopt key decisions on the Fund’s results framework and country support mechanisms.

Observers say the outcome of the Manila meeting will determine whether the Loss and Damage Fund becomes a meaningful example of global climate solidarity—or another unfulfilled promise in the pursuit of climate justice.