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SITUATION REPORT

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The Loss and Damage Fund's First Real Test Is Nepal. Sudan Isn't Even in the Room.

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Situation Report: The Loss and Damage Fund's First Real Test Is Nepal. Sudan Isn't Even in the Room.

Research Team

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Nepal's \$20m claim against the UN Loss and Damage Fund covers just 0.7% of its flood costs, and the fund has paid out nothing since 2023. Sudan, despite comparable flood exposure, has no public application before its board.

Situation: The UN Loss and Damage Fund's first emergency test — and Sudan's absence from it
Edition: 1 (first edition on this situation)

Information cut-off: 23 September 2026, 12:00 GMT

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Headline Fact

Nepal has asked the UN Fund for Responding to Loss and Damage (FRLD) for \$20 million to help recover from flash floods that have killed more than 1,400 people since 26 August — the maximum amount the fund allows for a single project, and an amount that covers just 0.7% of the \$2.7 billion in physical damage and economic loss Nepali authorities have documented so far (Carbon Brief analysis, 22 September 2026). As of this writing, the fund — established in 2023 — has not disbursed a single dollar to any country.

Timeline

26 August 2026: A rock-ice avalanche in Nepal's Himalayan border region triggers flash floods. Nepal's national disaster management authority later documents more than 1,400 deaths, with thousands still missing (Carbon Brief, 22 September 2026).

Days after the disaster: Nepal's government requests an "urgent response" from the FRLD board and formally applies for \$20 million in financial compensation — its fourth application to the fund overall, which would make it the fund's fourth-largest claimant to date.

14 September 2026: Developed-country members of the FRLD board respond in writing that they support "consultation" on Nepal's request, without committing funds (Carbon Brief).

22 September 2026: Carbon Brief's analysis of the fund's project pipeline (as of 29 June 2026, plus Nepal's new request) finds 176 total applications from 118 developing countries, requesting \$2.8 billion combined. Pledges from mostly developed donor nations total only \$822 million — under a third of what has been requested — and only about half of that pledged amount has actually been paid in, with contributions from France, Italy and the UAE still outstanding. The fund made \$342 million available in its first funding round in July 2026; none of it has reached a recipient country.

24 September 2026 (scheduled): Nepal's prime minister, Balendra Shah, is expected to raise loss-and-damage and climate-justice issues in his address to the UN General Assembly.



15 December 2026 (scheduled): The FRLD board's next meeting — a fortnight after COP31 concludes in Antalya, Türkiye — is where Nepal's request is expected to be taken up.

What We Know / What We Don't

Confirmed: The scale of the funding gap is not in dispute — it is the fund's own analysis, corroborated by Carbon Brief's independent review of board documents. Madagascar, hit by repeated cyclones and drought, has filed six separate requests, the most of any single country. More than 60% of all 176 applications come from least-developed countries and small-island states.

Not yet confirmed: Whether the FRLD board will approve emergency or expedited treatment for Nepal's claim, or continue processing it as a routine project alongside the rest of the pipeline. A full climate-attribution study on the August floods — beyond the rapid assessment already published by World Weather Attribution — is still pending.

What we could not establish: 3Bi found no public record of Sudan having filed a project application with the FRLD board. UNDP materials describe Sudan as a recipient of "demand-driven technical assistance" for climate early-warning systems under separate UNDP-administered programming — preparatory support, not a live funding claim before the board. Given Sudan's own documented flood losses (an estimated \$4.43 billion in the 2020 floods across 17 of 18 states, and more than 12,000 homes destroyed or damaged with roughly 198,000 feddans of farmland affected in the 2024 floods, per prior humanitarian reporting), 3Bi could not confirm whether the absence reflects a deliberate choice, a state-capacity gap amid the ongoing war, or simply that no application has yet become public.

Do-No-Harm Note

This edition relies on on-the-record statements from named public officials (Nepal's climate negotiator, finance minister, and an independent loss-and-damage campaigner) speaking to Carbon Brief in their professional capacities, and on aggregate casualty and damage figures from Nepal's national disaster authority — no individual flood victim or displaced person is named or otherwise identifiable in this report. No new identifying detail about any named individual or community was introduced beyond what has already been published by Carbon Brief and the BBC.

What to Watch

- Whether the FRLD board grants Nepal any funds — or explicit emergency-track status —



before its scheduled 15 December meeting.

- Whether France, Italy or the UAE pay in the pledges Carbon Brief lists as still outstanding.
- Whether Sudan, or any state acting on Sudan's behalf, surfaces a project application in the FRLD pipeline before that same 15 December meeting.
- Nepal PM Balendra Shah's 24 September UN General Assembly address, for any shift in how climate-vulnerable states frame collective pressure on the fund.

Sourcing & Next Update

Primary source: Aruna Chandrasekhar and Josh Gabbatiss, "Analysis: Nepal's \$20m 'loss-and-damage' claim only covers 0.7% of flood costs," Carbon Brief, 22 September 2026. Sudan flood-damage figures drawn from prior humanitarian reporting on the 2020 and 2024 Sudan floods (ReliefWeb, aggregated situation reports citing government and UN sources); Sudan technical-assistance status per UNDP Climate Promise programming materials. 3Bi will issue a follow-up edition if the FRLD board acts on Nepal's request, or if a Sudan-linked application becomes public, whichever comes first.

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