

## Panel 3

# Institutional arrangements for the LDF: exploring structure, scope and systemic alignment

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# COP27

## Milestones for Global Economic Governance

- Inside → Sharm el-Sheikh Implementation Plan
- Outside → Reform of Global Financial Architecture
- Decisions 2/CP.27 and 2/CMA.4 – fund and wider funding arrangements for Loss and Damage
- Role of the IFIs – what can they do?

# Living up to their objectives?

- Bretton Woods institutions were set up to deliver economic stability, rising prosperity and lasting peace across the world
- Cascading economic shocks, unsustainable debt burdens, unaffordable financing, and volatile financial flows
- The fiscal and policy space countries need for climate-resilient development continues to be squeezed in this context with little reprieve

**What are they doing?**

**What can they do differently?**



# What support currently exists?

- Programs and policy tools
- Emergency financing
- Debt relief
- Disaster Risk management
- Adaptation

# Programs and policy tools

- Short-term fiscal consolidation > long-run resource mobilisation
- Market-based mechanisms
- No mention of loss and damage in strategies
- Optimistic leveraging goals for private finance
- Privatisation

# Emergency Financing

- IMF: Rapid Credit Facility and Rapid Financing Instrument
- WB: IDA Crisis Response Window, Immediate Response Mechanism and Cat DDO

## Issues:

- Loans
- Programmatic conditionality
- Lack of immediate access
- No slow onset windows
- Low scale

# Debt Relief

- G20: DSSI and Common Framework
- IMF Catastrophe Containment and Relief Trust; Debt Sustainability Assessments
- WB announcement: Climate resilient debt clauses

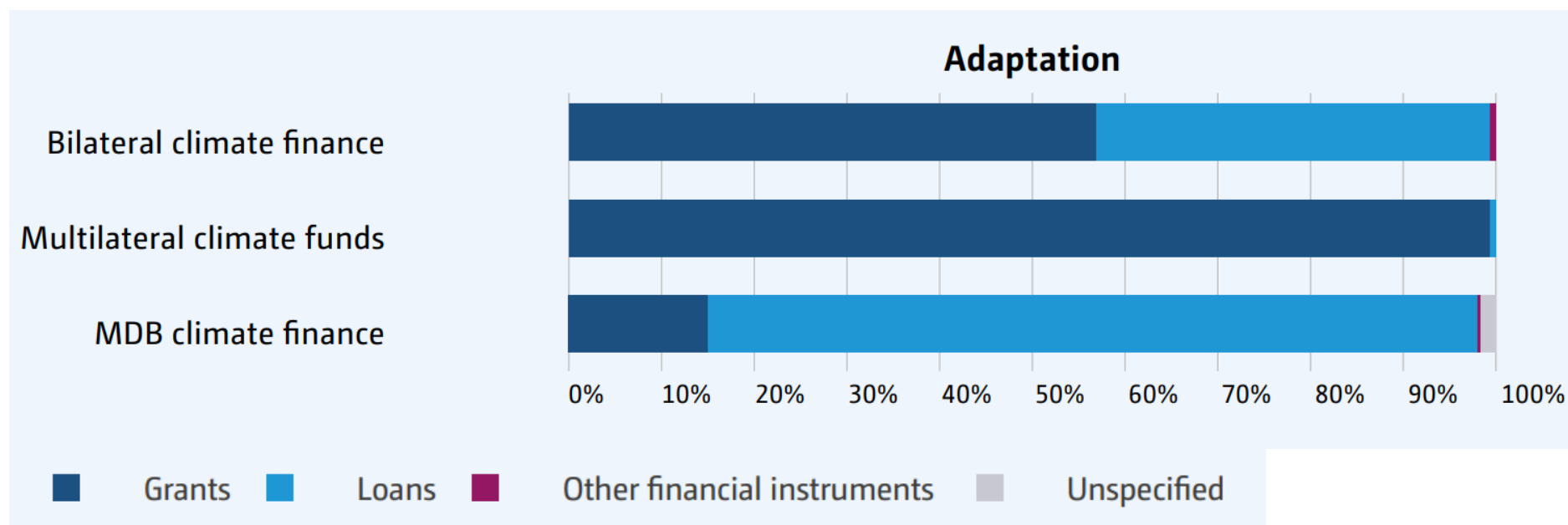


# Disaster Risk Management

- WB Global Facility for DRR
- ‘Toolkit to support developing countries after natural disasters’

# Adaptation Financing

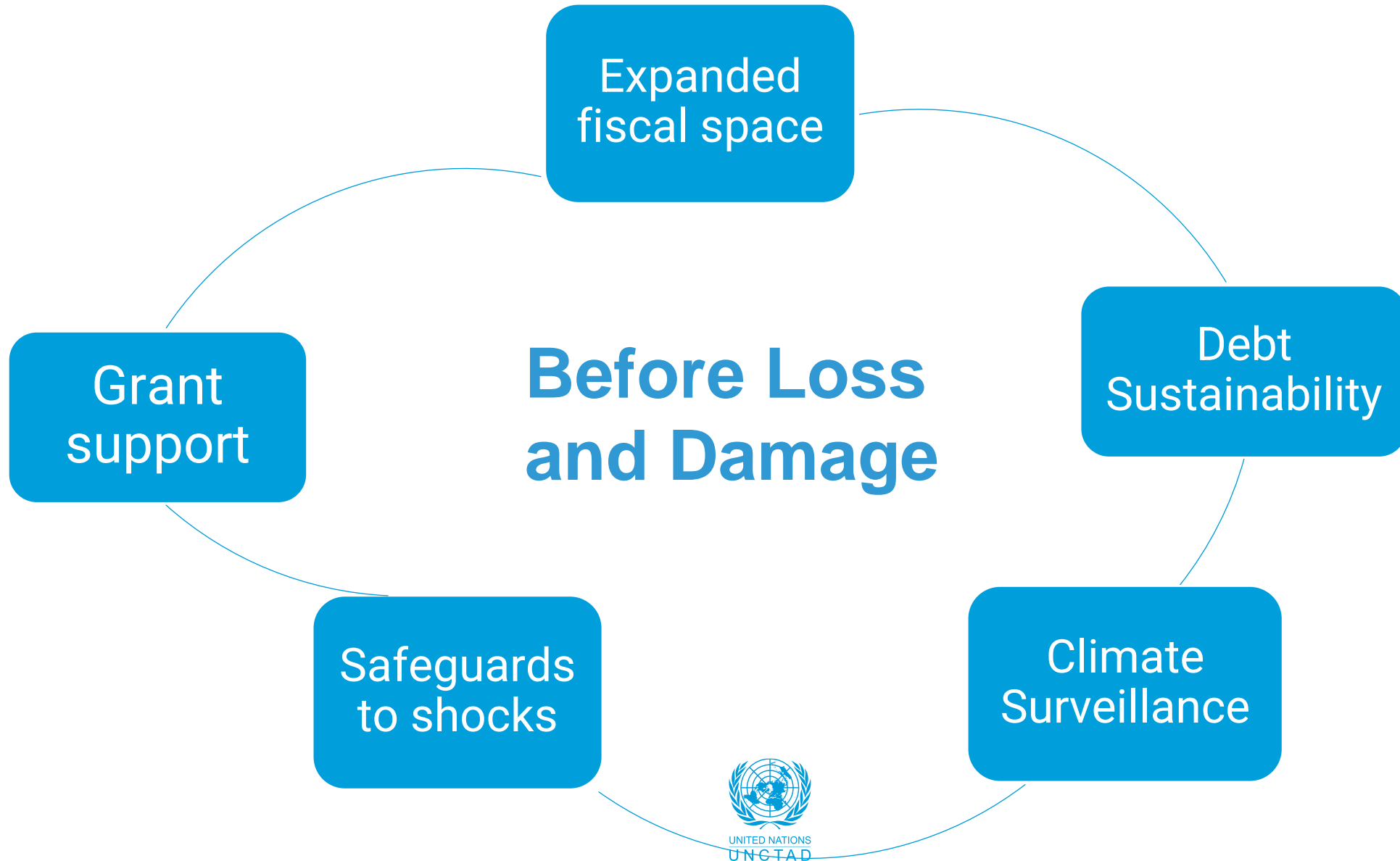
- IMF: Resilience and Sustainability Trust
- MDB Adaptation Financing



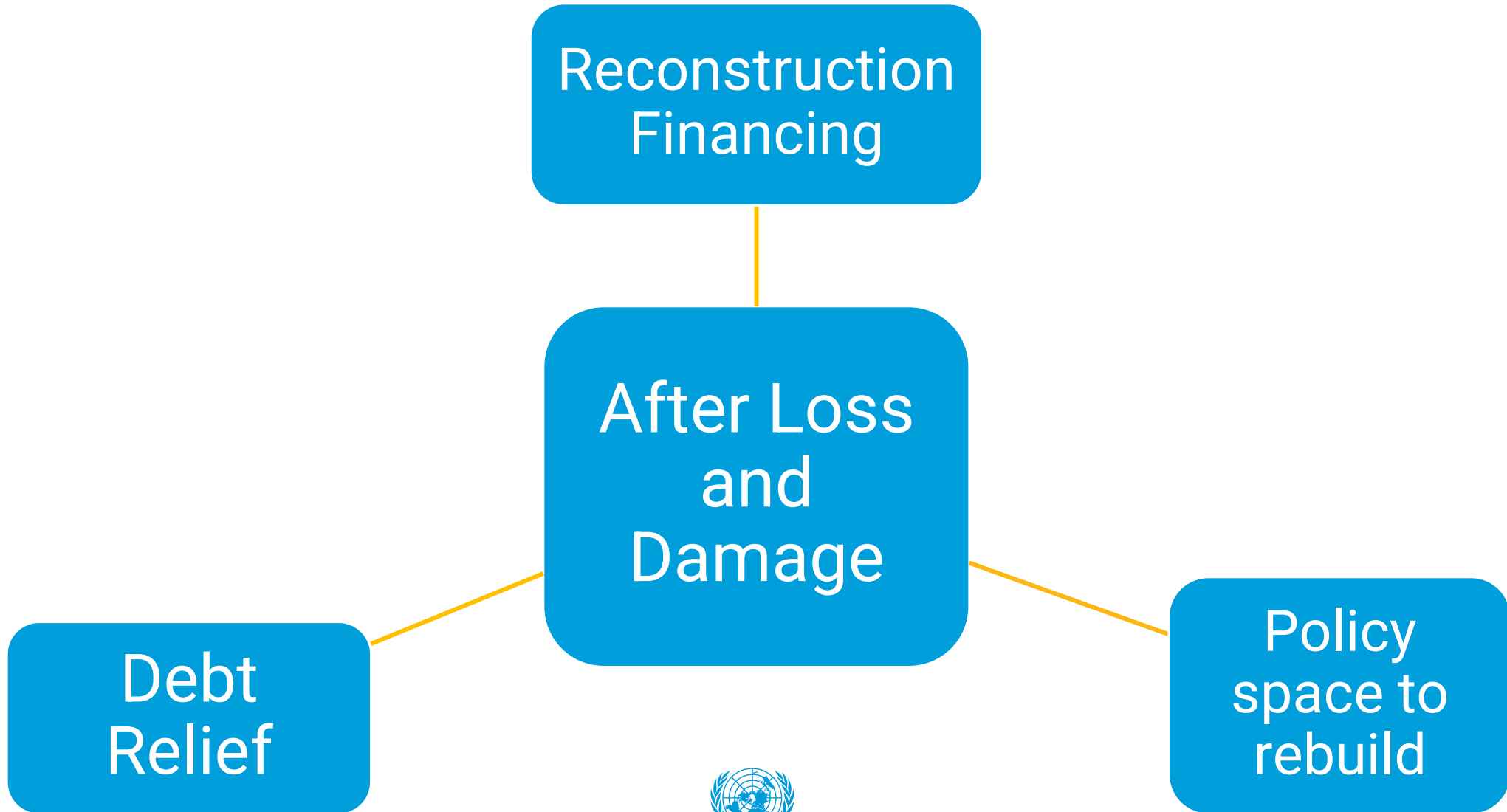
# A different approach?



# Before Loss and Damage







# Thank you!

TWN  
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