Fourth International Conference on Financing for Development

Input to the FfD4 Elements Paper on Financing for Development

The Centre for Disaster Protection recognises that the Fourth International Conference on Financing for Development (FfD4) is core to the collective achievement of the UN Sustainable Development Goals. Building on the Monterrey Consensus, Doha Declaration, and Addis Ababa Action Agenda, the FfD4 has an opportunity to make concrete recommendations on arranging finance ahead of crises for the first time. Pre-arranged financing has the potential to increase the predictability, speed, and effectiveness of response, reducing impacts on lives and livelihoods.

I. A Global Financing Framework

The international crisis financing system is complicated, fragmented, and not configured to meet current or future crisis financing demands effectively. The way that the international system currently responds to crises is discretionary, highly unpredictable, and amplifies structural disincentives for governments and international actors to prioritise prevention and preparedness.[1] Continuing on a path of fragmented reforms and instrument-led innovations could lead to more complicated and more costly crisis financing and run the risk that fundamental systemic weaknesses and gaps will be overlooked.[2]

Protecting economies and people against shocks has emerged as a newly established priority across global policy reform agendas. Recent calls to radically overhaul international financial institutions have been led by low- and middle-income countries and country groupings to a large extent, including through the G20,[3] the Bridgetown Initiative, and the V20 Accra-Marrakech Agenda.[4] The potential for major shocks, notably climate shocks, to derail development progress is prominent in these policy agendas. Notably, the Bridgetown Initiative 3.0 led by Barbados, calls for the need to "shock-proof" economies, while the V20 Ministerial Dialogue XII calls for a set of measures designed to create a "shock-absorbent financial system for social protection, financial protection, and loss and damage." Despite emerging consensus, progress has so far fallen short of the transformation needed to shock-proof economies and to reform the international financial architecture to be more crisis-responsive.

Building a new model for international crisis financing requires different approaches and tools for different categories of risk and vulnerability. A large proportion of the current humanitarian caseload is people trapped in or fleeing conflict. For such crises, which cannot be anticipated, but

[1] Poole, L., Clarke, D., & Swithern, S. (2020). 'The Future of Crisis Financing: A Call to Action.' Centre for Disaster Protection.https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/616044319319703b5414b37e/1633698871567/Crisis_Financing_19Nov_screen+%281%29.pdf

[2] Poole et al. 2020

[3] Under India's Presidency of the Group of Twenty (G20), an Independent Expert Group was convened to make recommendations on reforming the multilateral development banks (MDBs), which recommended: (1) adopting a triple mandate of eliminating extreme poverty, boosting shared prosperity and contributing to global public goods; (2) tripling sustainable lending levels by 2030; and (3) creating a third funding mechanism that would permit flexible and innovative arrangements for purposefully engaging with investors willing to support elements of the MDB agenda. Brazil's G20 presidency aims to launch a G20 Roadmap to evolve MDBs in October 2024.

[4] The Vulnerable Twenty Group of Ministers of Finance of the Climate Vulnerable Forum (V20) Accra-Marrakech Agenda, adopted in October 2023, also calls on making debt work for the climate, transforming the development finance system to be climate resilient and revolutionising climate risk management. See more here.

which often persist for many years, predictable packages of humanitarian and development financing are required. But for risks that can be modelled and anticipated, including many climate-related risks, a substantial scale-up of pre-arranged financing could help to deliver a far more predictable, timely, and cost-effective response, with far better outcomes for crisis-affected people and economies. It is this final category of pre-arranged crisis financing that the Centre for Disaster Protection's recommendations focus on for FfD4.

Pre-arranged financing (PAF) is a particular category of financing within the wider set of actions and financing tools that make up disaster risk financing (DRF).[5] Its unique characteristics include securing funding in advance of shocks that will be triggered or disbursed when pre-agreed conditions are met. PAF provides a guarantee that when these pre-agreed conditions are met, funding will arrive. It can provide incentives for governments and international organisations to plan and prepare so assistance reaches those who need it most. It can help governments, businesses, and communities avoid having to make costly ad hoc responses when disasters strike.

PAF remains a small component of international crisis financing. Moreover, international development financing for PAF is concentrated in middle-income countries, with just 3.1% (USD183.8 million) reaching low-income countries between 2018 and 2022.[6] Achieving a substantial scale-up in the use of PAF depends on addressing a range of supply-side challenges within the international system, while also addressing barriers to uptake and effective use of PAF by the most at-risk countries. The next section will focus on recommendations for improving the scale, quality, and impact of PAF according to the Action Areas set out by FfD4.

II. Action Areas

II.1.1 Domestic Public Resources

Governments frequently bear the high costs of disasters and often rely heavily on financing after a shock, for example, through budget reallocations.[7] This can have significant opportunity costs, impacting economic growth and recovery. Governments may have limited information available to assess, quantify, and prioritise actions to manage risk. Moreover, there are structural disincentives for governments and international actors to prioritise prevention and preparedness for disasters—and funding and financing currently provide little incentive to understand risks and act before a crisis happens.[8]

[5] Disaster risk financing covers the system of budgetary and financial mechanisms to credibly pay for a specific risk, arranged before a potential shock. This can include paying to prevent and reduce disaster risk, as well as preparing for and responding to disasters (Centre for Disaster Protection 2024).

[6] Plichta, M. and Poole, L. (2024). The State of Pre-Arranged Financing for Disasters 2024. Centre for Disaster Protection, London. https://www.disasterprotection.org/publications-centre/the-state-of-pre-arranged-financing-for-disasters-2024

[7] Allan, S., Bayley, E., & Centre for Disaster Protection. (2023). Opportunity cost of COVID-19 budget reallocations. In *Centre for Disaster Protection Report* [Report]. Centre for Disaster Protection. https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/640aeeaf06e1f108677be3ab/1678438075003/Cost_of_COVID-24_09-03-23.pdf

[8] Poole et al. 2020

Understanding Risk and Financing Needs

Understanding what crises are likely to occur and their future costs to the government can ensure that pre-arranged financing mechanisms provide the right amount of funding in the right place at the right time.[9] This is key for planning domestic public resources to address uncertain but future risks, such as quantifying contingent liabilities, or obligations a government would pay if an event occurred. Understanding risk can clarify how much additional financing could be required from the governments or other sources at different stages of an emergency.[10] Understanding risk can also provide a shared set of tools to prioritise investments across the risk management spectrum, including helping to prioritise adaptation, risk reduction, and preparedness investments. Communicating risk information clearly to the public, ensuring the 'last-mile' of risk protection is clear,[11] and being transparent about where public funds and instruments are directed[12] can also enable households and businesses to better manage their risks and build a virtuous cycle of demand for effective management of risk between governments and civil society.

- **Recommendation 1**: Governments should conduct risk assessments to understand the likelihood of crises, potential cost of government response, and gap between estimated fiscal costs and funds that would be available to meet those costs. Such risk assessments could be conducted as part of Disaster Risk Finance Diagnostics[13] and should include assessment for important but lower-probability hazards, such as pandemic outbreaks. Where possible they should include an assessment both of explicit contingent liabilities as well as the implicit contingent liabilities associated with the cost of government ensuring that the basic needs of affected people are met.
- **Recommendation 2**: Governments should take a strategic approach to financing for disaster risk management, including financing for risk reduction as well as for the management of the residual risk. Where possible, financing for residual risks should be pre-arranged.
- **Recommendation 3**: Governments should introduce explicit linkages between the macroeconomic impact of disaster risk and multi-annual budget programming. This can then inform financial allocations of public resources, as well as the design of instruments to implement national budgets.[14]

[9] Meenan, C., Ward, J., Nevison, J. & Cassottana, B. (2023). 'Measuring the Crisis Protection Gap', Synthesis Report. Centre for Disaster Protection, London. https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/652fe0838e9ce27847fe06bf/1697636491847/CPG_Synthesis_16-10-23.pdf

[10] Allan and Bayley 2023

[11] Swithern, S. (2023). 'Making Disaster Risk Financing Work for Disaster-Affected People'. Centre for Disaster Protection Guidance Note, London. https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/64d4e03e89ca822a3ad0f903/1691672639987/Making+disaster+risk+finance+work+for+risk-affected+people.pdf

[12] World Bank Group. (2022). 'Disaster Resilient and Responsive Public Financial Management: An Assessment tool'. International Bank for Reconstruction and Development / The World Bank. https://documents1.worldbank.org/curated/en/403941645736502355/pdf/Disaster-Resilient-and-Responsive-Public-Financial-Management-An-Assessment-Tool.pdf

[13] Asian Development Bank and World Bank. (2017). Assessing Financial Protection against Disasters: A Guidance Note on Conducting a Disaster Risk Finance Diagnostic. Manila and Washington, DC. https://www.adb.org/publications/assessing-disaster-risk-finance-diagnostic

[14] Krätke, F. and Stefan, C. (2023). 'Financing adaptive social protection in Burkina Faso: Disaster risk financing diagnostic', report, Centre for Disaster Protection, London. https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/658176531cf8b73ce7e59033/1702983258685/Adaptive+social+protection+in+Burkina+Faso.pdf

Investing in National Systems for Preparedness and Response

Delivering the benefits of pre-arranged financing for residual risks, including timely and predictable response, depends on how core government delivery systems function. This includes early warning systems and public financial management (PFM) systems that can swiftly and accountably move money through government systems, in addition to last-mile delivery systems such as shock-responsive social protection and health systems.

- **Recommendation 4**: Ministries of Finance should utilise PFM for disaster response expenditures to develop an ex-ante framework for reconfiguring budgets in the wake of a disaster to avoid indiscriminate across-budget expenditure cuts. This can minimize the unintended negative consequences of delayed or cancelled expenditures. PFM in disaster response expenditure can also increase transparency in budget (re)allocations and develop rules to guide the appropriation to, and use of, general contingency funds.
- **Recommendation 5**: Governments should support reforms and investments in enabling conditions – such as early warning and early action systems- with realistic timelines and metrics to monitor progress in responsive capabilities.[15] Scaled-up investment in early action programming can drive a systemic shift toward acting ahead of disasters, in addition to better-quality program design through careful planning in non-crisis times.[16]
- **Recommendation 6:** Governments should create policy, legislative support, and commit to investing in last-mile delivery systems. Governments should assess the readiness of last-mile delivery systems that would be available to households after a shock hits and elucidate the flexibility and capacity of those programs in responding to shocks of varying magnitudes and types. The assessment, which may include stress tests and reverse stress tests, can provide the basis for targeted investments in particular areas of delivery systems that will strengthen their shock responsiveness.
- **Recommendation 7:** Ministries of Finance should collaborate with NDMAs and ministries responsible for social protection on delivering finance to communities with a mechanism to pre-commit this money to delivery systems, such as shock-responsive social protection.[17] Shock-responsive social protection systems should actively incorporate the needs of internally displaced people (IDPs) from compounding climate, conflict, and health outbreaks.[18]

[15] Poole, L., Clarke, D. (2024 forthcoming). 'Making Social Protection Shock-Responsive through Disaster Risk Finance Mechanisms: Synthesis Report', Social Protection Technical Assistance, Advice and Resources (STAAR), DAI Global UK Ltd, UK.

[16] REAP. (2022). 'Early Action: The State of Play 2021.' Risk-informed Early Action Partnership, Geneva. https://www.early-action-reap.org/sites/default/files/2022-03/REAP_StateofPlay2021_FINAL.pdf

[17] Nesbitt-Ahmed, Z., Clarke, D. J., and Poole, L. (2024). Social Protection 'Risk Deals': The Missing Element for Connecting Money-in and Money-out. Working Paper 10, Centre for Disaster Protection. https://static1.squarespace.com/static/61542ee0a87a394f7bc17b3a/t/667e95aae1710d31786822a7/1719571883927/Working+Paper+10_Risk+Deal_Money+in_Money+out_Working+Paper_June+24.pdf

[18] Krätke and Stefan 2023

II.1.2 International Development Cooperation

Pre-arranged financing is an emerging and rapidly innovative area of international development financing. Many pre-arranged financing instruments have been designed to reduce the fiscal vulnerability of governments to disasters by providing rapid liquidity following the occurrence of eligible events, and most have a proven track record of delivering against this intended purpose.[19] However, pre-arranged financing is not currently available at a sufficient scale or on attractive terms. Pre-arranged financing also does not have the right incentives to deliver against its potential to strengthen preparedness, bring down costs, and build a more reliable and effective future response. Pre-arranged financing is also siloed and does not operate in complementarity with other areas of risk management, including adaptation, risk reduction, loss and damage, and core shock response systems strengthening.

Understanding Risk

Although it is difficult to effectively model scenarios for global and cross-border risks, such as conflict, climate shocks, and health outbreaks, there are clear actions that the international community can take to effectively place them on their balance sheets.

- **Recommendation 8**: Related to hazard risk, international organisations, including the IMF, World Bank, and UN agencies, have unique risk analysis capabilities. To enable a shift toward risk-informed development and financial preparedness for shocks, investments in building a shared understanding of risk are needed. This includes developing shared analysis of multi-hazard risks and vulnerability, likely human and financial consequences, and assessments of current levels of preparedness. A shared analysis of risk can underpin risk-informed investments at the country level by governments and development partners, such as identifying priority investments needed to strengthen core shock response and resilience systems such as safety nets and public health. It can also support risk reduction and preparedness measures, including financial preparedness for shocks.
- **Recommendation 9:** Related to compounding and complex risk, the collective analytical capabilities of international institutions, member states, or shareholders should also be deployed at the global level to build credible shared foresight and analysis of complex, systemic, and future risk.

Shifting from Supply-Driven Approaches to Government Demand

Pre-arranged financing instruments on offer do not meet the needs and priorities of crisis-vulnerable countries, which is evidenced by their low uptake. Given majority of pre-arranged financing instruments are provided in the form of loans rather than grants, it is difficult for countries struggling with limited fiscal space and debt vulnerability to afford them. Although development partners have taken direct steps to reduce the direct costs of instruments, improved the range of PAF instruments, and there are emerging examples of country-led design, there is still a range of barriers to entry. Competition among development partners reduces the likelihood of meaningful reform. For example, development partner support tied to specific instruments may skew government choices, leading them to choose the cheapest instrument rather than the instrument best suited to their needs or, in some cases, weaken incentives for disaster risk

[19] Mustapha, S. & Benson, C. (2024 Forthcoming). 'Demystifying Pre-Arranged Financing for Governments: A Stocktake of Financial Instruments from International Financial Institutions Report.' Centre for Disaster Protection, London.

reduction.[20] The current market for disaster risk financing is supply-driven, rather than effectively meeting consumer needs and the optimal mix of products for a country depends on the broader political and operational context.[21]

- **Recommendation 10**: Providers of crisis financing should be more transparent about how they are meeting country-led demand and needs, especially for governments facing high debt burdens. Country-level analysis from International Financial Institutions (IFIs) is needed to explore country demand for the specific factors shaping the choice of instruments, including the extent to which those decisions are informed by economic analysis, political considerations, subsidies, and grant resources.[22] As an example of demand-led practice, the Global Shield against Climate Risks is taking this approach with partner countries.
- **Recommendation 11**: Providers of crisis financing should make pre-arranged crisis finance available to each country on the same, or better, terms as ad hoc crisis finance mobilised during crises. Levels of concessionality for all such instruments should be publicly available.
- **Recommendation 12:** MDB financial incentives for pre-arranged financing should be instrument-neutral, with governments receiving the same incentive for a wide range of pre-arranged finance instruments. MDBs should consider partnering with other international financial institutions, such as development insurers, to broaden the suite of pre-arranged finance instruments eligible for MDB financial incentives.
- **Recommendation 13:** Countries should have access to impartial advice over pre-arranged finance instruments, to complement tied advice received from organisations who offer PAF instruments. Instrument providers must be transparent about the terms of instruments to allow countries to make informed decisions.
- **Recommendation 14**: System-level analysis on crisis financing may include identifying new financing facilities, instruments, and institutions. For example, the Centre supports Bridgetown 3.0's recommendation that the World Bank establish a universal contingent financing facility available to all vulnerable countries on concessional terms. Such a facility should be instrument-neutral, with countries able to use the concessional envelope to finance the most appropriate contingent finance instruments for their needs, including both risk retention and risk transfer contingent instruments.
- **Recommendation 15**: Regional risk pools and regional development banks should continue to facilitate knowledge exchanges between countries facing similar risks at the regional level. Where helpful, MDBs, the IMF, and regional risk pools should support governments in identifying and addressing the bottlenecks that prevent the implementation of pre-agreed plans and the timely and effective utilization of public finance for disaster responses more broadly.

[20] Mustapha and Benson 2024, forthcoming
[21] Mustapha and Benson 2024, forthcoming
[22] Mustapha and Benson 2024, forthcoming

II.1.3 Debt and Debt Sustainability

High and growing debt levels and debt service burdens are having a detrimental impact on the ability of countries to invest in their disaster resilience as well as to respond to disasters when they occur. Given that a majority of PAF for governments is in the form of debt, particularly from MDBs, or tends to indirectly contribute to higher debt levels when the government foots the bill, the linkages between PAF and a country's macroeconomic stability need to be strengthened in the following ways.

- **Recommendation 16:** The surveillance and lending operations of the IMF and the MDBs need to effectively incorporate disaster risks in their analysis and policy advice. Disasters are macro-critical with far-reaching consequences for a country's economy and ultimately the welfare of its citizens. Given its fiscal stability mandate, the IMF needs to support countries in understanding the channels through which disasters potentially affect their public finances and streamline disaster risks into their various assessment tools such as debt sustainability analysis. This requires improvements in three areas: (1) country-specific data on disaster risks, (2) models to estimate potential fiscal impacts of disasters as well as potential benefits of DRF in mitigating these impacts, and (3) construction of realistic scenarios tailored to country characteristics.
- **Recommendation 17**: MDBs and development partners should provide PAF solutions that are appropriate to a country's fiscal situation, for example, more highly concessional PAF like contingent grants or subsidised insurance for fiscally constrained countries at high risk of debt distress. This should be guided by objective and transparent criteria and rules on due diligence that go beyond a country's income per capita. It is also critical to consider a country's vulnerability to shocks as well as its capacity to effectively utilise PAF to ensure that no country is left behind while also incentivising countries to put in place the systems and plans that enable PAF to contribute to quicker and better disaster responses that save lives and money.
- **Recommendation 18:** All PAF providers and intermediaries should provide governments with the relevant information to make informed decisions. Governments should understand the risks and benefits of the financial products being offered for their debt sustainability and public finances more broadly. There is significant variation across countries in terms of their knowledge of PAF instruments and DRM capabilities, as such some actors may have unrealistic expectations about the potential contribution of PAF to building their fiscal resilience. Providers should ensure that key government stakeholders understand how the instruments work, the underlying theory of change, and any potential limitations of the instrument, for example, susceptibly to basis risk or the timeliness of payouts.
- **Recommendation 19:** Both recipient governments and the providers of PAF should ensure that the information on the terms and conditions of all PAF instruments, even the non-debt instruments, are publicly available, and freely accessible in a timely manner. This will help ensure public scrutiny about the cost of solutions vis-a-vis their expected benefits, particularly relating to the use of payouts. The toolkit of PAF instruments is growing and governments must use financial products that provide the most cost-effective protection to the country and its citizens based on clearly defined objectives.

II.1.4 Addressing Systemic Issues

Representation in the Wider Crisis Financing Architecture

To emphasise recommendations from the Vulnerable 20 (V20) Group of Finance Ministers, from 68 climate-vulnerable countries from Africa, Asia, the Caribbean, Latin America, the Middle East, and the Pacific, there needs to be a greater representation and voting power within the global financial system to take forward the Accra-Marrakech Agenda and Bridgetown Initiative.[23] V20 countries comprise 21.7% of the global population and 44.7% of IMF programs but have only 5.3% of IMF votes.[24]

- **Recommendation 20**: Recognise the V20 Finance Ministers as an Official Intergovernmental Group in the Bretton Woods Institutions to contribute experience and expertise to the agendas of the International Monetary and Financial Committee and joint World Bank Development Committee.[25]

III. Emerging Issues

Risk-Informed Development and a New Crisis Financing System

A new international crisis financing system is urgently needed. A new crisis financing system that is prepared to manage responses to large-scale and systemic shocks requires a coordinated response that undertakes system-level surveillance and analysis of future risk and financial preparedness. Within a new model for international crisis financing, financial preparedness should be targeted to different categories of risk and vulnerability, such as pre-arranged financing for risks that can be modelled and anticipated. This includes a foundation of risk-informed development, with scaled-up investments in risk analysis, preparedness, and the capabilities of core shock response delivery systems such as public health and shock-responsive social protection systems.

- **Recommendation 21**: The Financing for Development process can be used to consult what a new international crisis financing system should include and what changes to development cooperation would needed to shift toward risk-informed development.
- **Recommendation 22:** The Financing for Development Outcome Document should mainstream risk into development proposals for a Global Financing Framework, in addition to each Action Area, especially for domestic public resources, international development cooperation, debt and debt sustainability, and addressing systemic issues.
- **Recommendation 23:** There should be a dedicated section for crisis financing as a stand-alone Action Area in the Financing for Development Outcome Document. This dedicated section should include specific recommendations on pre-arranging finance ahead of shocks.

Pre-arranged Financing within Climate Adaptation

Disaster risk financing is currently siloed, without operating in complementarity with other areas of risk management including adaptation, risk reduction, loss and damage, and investments in core shock-response systems strengthening. Pre-arranged financing could be made part of the wider

[23] V20. (2024). *V20 Ministerial Dialogue XII Communiqué*. V20: The Vulnerable Twenty Group. https://www.v-20.org/v20-ministerial-dialogue-xii-communique
[24] V20. (2023). *V20 Ministerial Dialogue XI Communique*. V20: The Vulnerable Twenty Group. https://www.v-20.org/v20-ministerial-dialogue-xi-communique#:~:text=V20%20countries%2C%20with%2021.7%25%20of,vulnerable%20nations%20have%20long%20advocated
[25] V20 2024

climate adaptation architecture. For example, the Sendai Framework for Disaster Risk Reduction (DRR) sets out the need to reduce the likelihood of disasters occurring and avoid the creation of new risks. However, for risks that cannot be reduced completely, putting in place disaster risk financing approaches arranged ahead of shocks can reduce the economic impact of disasters, in addition to protecting lives and livelihoods.

- **Recommendation 24:** Ministries of Finance and NDMAs should identify budgetary processes to support disaster risk reduction and pre-arranging finance to address residual risk. This could mean regular financial assessments of residual risk and establishing budget allocations to DRR and DRF, undertaking periodic disaster risk management public expenditure and institutional reviews, or enhancing institutional architecture to address DRM.[26]
- **Recommendation 25**: The Board of the Loss and Damage Fund and other providers in the emerging loss and damage mosaic should explore opportunities for pre-arranging some of the loss and damage financing, especially for risks that can be modelled and predicted. While pre-arranged finance is unlikely to be the most cost-effective and politically feasible to address all climate-induced loss and damage in all countries, using pre-arranged financing to put in place plans and financing before disasters happen can play a critical role in ensuring that countries and at-risk communities have access to faster and more predictable financing rather than relying on financing that is approved after the disaster occurs. This can in turn facilitate more effective and timely disaster response that protect the poorest and most vulnerable people who have historically contributed the least to the unfolding climate crisis but are being disproportionately affected by its consequences.

IV. Overarching Reflections

The increasing frequency and intensity of shocks have effectively outpaced our ability to respond to them. Polycrises are our new reality. Even with efforts galvanized by the UN Sustainable Development Goals, Paris Agreement, and Addis Ababa Action Agenda in 2015, there needs to be greater attention to risk-informed development and a crisis risk financing system given that more than 90% of financing for disasters is arranged after they occur.[27] Action is no longer a recommendation, it is a requirement.

However, there are growing political incentives for the international system to get good at preparing for disasters. The FfD4 is an opportunity to rewire the system to arrange finance ahead of shocks as a foundational element in building resilience at national and international levels. Mainstreaming risk into development financing, in addition to clarifying roles and responsibilities in the crisis financing system, can support national and international systems to take a more proactive approach to risk. Reconfiguring this will require substantial changes to risk-informed development, prioritising government-led demand-driven approaches, and fundamentally

[26] Asian Development Bank. (2023). 'Financing Disaster Risk Reduction, Preparedness, Relief, Early Recovery and Reconstruction.' Input paper for G20 Disaster Risk Reduction Working Group. https://g20drrwg.preventionweb.net/media/89124/download?startDownload=true; World Bank Group 2022
[27] Plichta, M. and Poole, L. (2023). The state of prearranged financing for disasters 2023. Centre for Disaster Protection, London. https://www.disasterprotection.org/publications-centre/the-state-of-pre-arranged-financing-for-disasters-2023

changing how the international financial system does business. Overall, the Centre for Disaster Protection would like to support the submission with four main themes:

- Investing in financial preparedness for crisis risks at the national and international levels.
- Investing in risk-informed development and core delivery systems for crisis response and resilience at the national level.
- Both types of investment are underpinned by a shared understanding of crisis risk and response capacity.
- International crisis financing should be structured to support and align behind government strategies to reduce the crisis protection gap, with particular attention to the most vulnerable communities.

The Centre for Disaster Protection's vision is a world where disasters do not devastate lives. Our mission is to prevent disasters from devastating lives, by helping people, countries, and organisations change how they plan and pay for disasters. More information about the Centre for Disaster Protection can be found here.