**Forum:** GA2

**Issue:**  Addressing green financing initiatives to support sustainable recovery and resilience after natural disasters

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**Introduction**

As climate change and environmental degradation accelerate, the global focus has increasingly shifted toward green and inclusive financial policies to address the needs of the most vulnerable populations. This is especially critical in the Pacific, a region that is highly exposed to climate risks, such as rising sea levels and extreme weather events, while simultaneously facing barriers to accessing the necessary financial resources for resilience and recovery.

Experts in the region stress that government policies must adapt to support the development of innovative financial solutions that respond to the unique challenges of climate-vulnerable communities. These solutions could include mechanisms such as green bonds, insurance for climate-related risks, and public-private partnerships aimed at mobilizing financial resources to build resilience.

The COVID-19 pandemic has only compounded these challenges, deepening poverty, increasing inequality, and reversing years of development progress. It has underscored the critical need for differentiated and targeted financial support to both governments and the private sector. To recover effectively and promote long-term sustainability, strong international coordination is needed to support green, resilient, and inclusive development initiatives.

At the global level, countries have committed to limiting global warming to below 1.5°C (2.7°F) to avoid catastrophic climate impacts. This involves a two-pronged approach: mitigating emissions and adapting to the inevitable consequences of climate change. However, realizing these goals will require trillions of dollars, and current funding levels remain insufficient. Developing countries, particularly those most at risk from extreme climate events such as floods, droughts, and heatwaves, face additional financial barriers, including high debt levels and limited access to international finance.

To meet these financial challenges, there is a growing recognition of the need for scalable and innovative financial instruments, such as climate adaptation funds, concessional loans, and debt-for-nature swaps. These efforts require bold policy reforms and strong international cooperation to ensure that all countries, especially those most vulnerable to climate impacts, can build the resilience necessary for sustainable development.

**Definition of Key Terms**

**Term 1:green finance:Green finance has many definitions. However, the UN defines it as “is to increase the level of financial flows (from banking, micro-credit, insurance, and investment) from public, private and non-profit sectors to sustainable development priorities”.Term 2:Climate adaptation: The UN refers to it as “adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects.” Term 3:Climate mitigation: “The lessening or minimizing of the adverse impacts of a hazardous event.” Is the UN’s definition of mitigation. In this case the “hazardous event”, would be about the climate.Term 4:Climate Resilience: “Climate resilience refers to the ability of an ecosystem, society or business to anticipate, prepare for and respond to the impacts of climate change. Term 5:Green Bonds: Green bonds is a finance term which are able to enable capital-raising and investment for new and existing projects with environmental benefits. Term 6:Adaptation Finance’s purpose is to reduce the vulnerability of human or natural systems to climate impacts by enhancing adaptive capacity and resillience. Term 7:Debt-for-Nature swaps: is when there is a purchase of a foreign debt, converting that debt into local currency and using the proceeds to fund conservation activities. Term 8:SDGS: There are 17 SDGs the UN plans to reach by 2030 they are a “call of action to end poverty and inequality, protect the planet, and ensure that all people enjoy health, justice and prospserity.” Term 9:Climate Insurance describes many factors for financial risk they “transfer provides protection against risks arising from extreme weather events that are in frequency and intensity because of climate change” Term 10:International Climate finance: “Climate finance refers to local, national or transactional financing—drawn from public, and private alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change”.**

**Background Information**

**The Escalating Costs of Climate Change**

**As climate change leads to a seemingly endless stream of weather disasters around the world, countries are struggling to adapt to the new reality. Preparing to better withstand hurricanes, floods, heat waves, droughts, and wildfires will take hundreds of billions of dollars.**

**Addressing the Root Cause**

**Confronting the root cause of climate change—the burning of fossil fuels like coal, gas, and oil—by transitioning to clean energies like wind and solar will take trillions of dollars.**

**Introduction to Climate Finance**

**Enter climate finance, a term for how to pay for projects to adapt to and combat the cause of climate change. It’s especially important for developing countries, which don’t have the same resources or access to credit that rich countries do.**

**Role of Multilateral Development Banks**

**International mega banks, funded by taxpayer dollars, are the biggest, fastest-growing source of climate finance for the developing world. Called multilateral development banks because they get contributions from various countries, there are only a handful of these banks in the world, the World Bank the largest among them.**

**Major Countries and Organizations Involved**

**UNEP(United nations Environment programme)**

**Promotes green financing to increase financial flows from various sectors toward sustainable development priorities, emphasizing better management of environmental and social risks.**

**international Monetary Fund (IMF)**

**Through its Resilience and Sustainability Trust, the IMF provides longer-term, affordable financing to help low-income and vulnerable middle-income countries build resilience to external shocks, including those from natural disasters.**

**World Bank**

**Engages in scaling up nature-based solutions to address climate challenges and assist countries in building resilience against natural disasters.**

 **Alliance for Financial Inclusion (AFI)**

**Advocates for financial inclusion as a means to build resilience to climate change, emphasizing access to savings, insurance, credit, and payment services before disasters occur.**

**The United States**

**The U.S. Treasury and USAID have convened urgent meetings with multilateral development banks to address the severe impacts of extreme heat on developing countries, emphasizing the need for increased resources toward building climate resilience and adaptation.**

**Germany**

**Germany’s Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety supports initiatives like the Inclusive Green Finance workstream, aiming to enhance disaster resilience through financial inclusion strategies.**

**Japan**

**Japan has provided sovereign guarantees to the Asian Development Bank (ADB), enabling an expansion of climate finance lending by $7.2 billion. This support facilitates projects aimed at building climate resilience in developing countries.**

**India**

**The Climate Finance Leadership Initiative (CFLI) India has announced climate finance solutions with the potential to mobilize over US $6.5 billion, supporting India’s low-carbon, climate-resilient development.**

**Timeline of Events**

| **Date** | **Description of Event** |
| --- | --- |
| July 4 2007 | The European Investment Bank (EIB) issues the world’s first green bond, initiating the green bond market. |
| November 17 2008 | The World Bank launches its first green bond, creating a template for climate-focused investments. |
| September 23 2019 | India establishes the Coalition for Disaster Resilient Infrastructure (CDRI) at the UN Climate Action Summit, aiming to enhance infrastructure resilience globally. |
| February 15 2021 | The Alliance for Financial Inclusion (AFI) publishes a report emphasizing disaster resilience through inclusive green financing mechanisms. |
| November 2 2021 | The United States announces plans to work with Congress to increase adaptation and resilience finance during COP26. |

**Relevant UN Treaties and Events**

 • United Nations Framework Convention on Climate Change (UNFCCC), 9 May 1992 (A/RES/48/189)

 • Kyoto Protocol, 11 December 1997 (A/RES/55/201)

 • Sendai Framework for Disaster Risk Reduction 2015-2030, 18 March 2015 (A/RES/69/283)

 • Paris Agreement, 12 December 2015 (A/RES/70/1)

 • Addis Ababa Action Agenda, 16 July 2015 (A/RES/69/313)

**Previous Attempts to solve the Issue**

 **• Green Bonds: The European Investment Bank (EIB) issued the first green bond in 2007, followed by the World Bank in 2008.**

 **• Green Climate Fund (GCF):**

**As of November 2019, the GCF had approved $5.6 billion for 124 projects, with co-financing of $15 billion.**

 **• Innovative Financial Instruments: Tools such as catastrophe bonds, parametric insurance, and regional insurance pools provide quick liquidity after climate disasters.**

 **Guides and Frameworks:**

 **The UNDRR published guides identifying over 100 investable activities, such as climate-resilient crops and mangrove conservation.**

**Policy Briefs:**

**UN DESA released briefs examining disaster risk reduction and resilience through risk-informed governance.**

**Possible Solutions**

1. **Expansion of the Green Climate Fund. Advocate for increased contributions to the GCF to support more projects in disaster-prone countries. Encourage transparency and accountability in fund allocation.**
2. **Encourage countries to adopt nature-based solutions. For example, reforestation; mangrove restoration; and wetland conservation to mitigate disaster risks.**
3. **Propose partnerships between countries which are developed and those that are developing to share expertise, technology, and best practices in disaster risk management.**

**Guiding Questions**

1. How is your delegation affected by this?
2. What are the most effective ways to integrate disaster risk reduction into national policies and strategies?
3. How can countries improve preparedness and response to natural disasters on a global scale?
4. What role should technology and innovation play in improving disaster resilience worldwide?
5. How can we ensure that vulnerable countries are adequately supported in building long-term disaster resilience?

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