

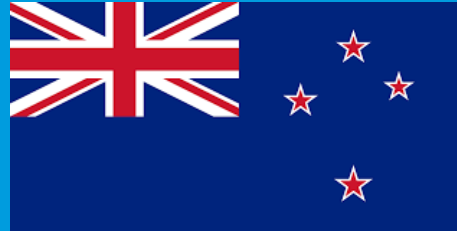


Day 2: Session 10

Mainstreaming DRF in PFM

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Phase V Donors: Australia, New Zealand,
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IMF & DRF

- i. Fund helps countries manage the economic and financial shocks caused by natural disasters, pandemics, and climate-related crises.
- ii. Goal - ensuring global economic stability, supporting vulnerable economies, and providing financial instruments to mitigate disaster-related risks.

Fund Disaster Financing Instruments

1. Emergency Financial Assistance

The IMF provides rapid financial support to countries affected by disasters through the following facilities:

- **Rapid Credit Facility (RCF)** – Provides concessional (low-interest or zero-interest) financing for low-income countries facing economic shocks due to disasters.
- **Rapid Financing Instrument (RFI)** – Offers emergency funds to all IMF member countries without requiring a full economic program.

Fund Disaster Financing Instruments

2. Precautionary and Insurance-Type Instruments

- **Catastrophe Containment and Relief Trust (CCRT)** – Offers debt relief to the poorest and most vulnerable countries affected by natural disasters or health emergencies (e.g., during the COVID-19 pandemic).
- **Resilience and Sustainability Facility (RSF)** – Helps countries build resilience to climate and disaster risks by providing long-term affordable financing for risk management.

Fund Disaster Financing Instruments

3. Debt Sustainability and Risk Management

- The IMF assist countries struck by disasters **not to fall into debt distress** by helping restructure debts and offering debt relief.
- It works on **developing financial buffers and reserve mechanisms** to ensure economic resilience.

DRF and PFM

- i. Strong PFM systems and processes facilitates timely processing and release of budget resources for disaster relief and recovery;
- ii. Ensures governments respond to natural disasters in an effective manner;
- iii. Enhances resilience by integrating financial planning, budgeting, and risk mitigation strategies;

PFTAC Workstream to Strengthen PFM

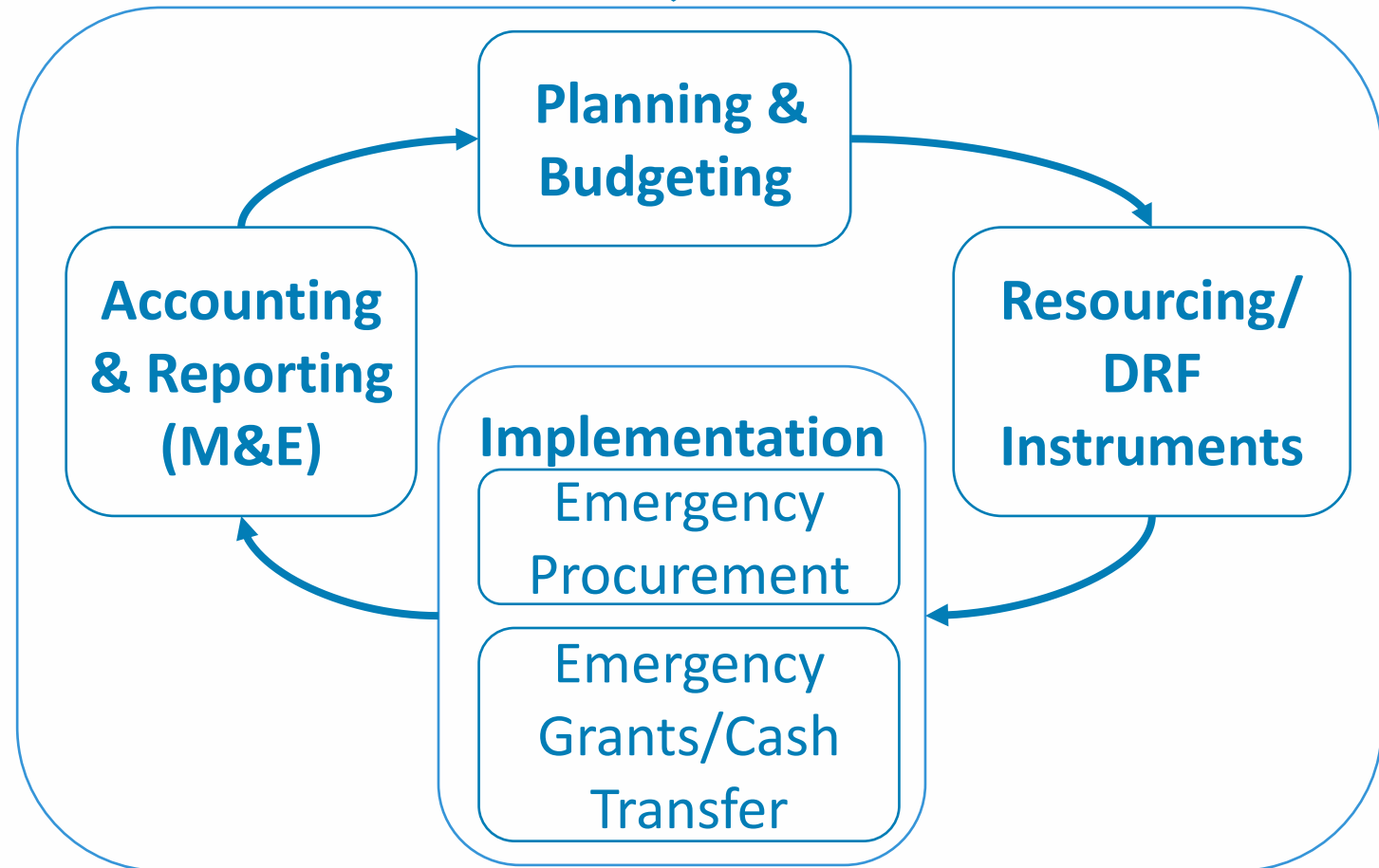
- i. Improved PFM Laws and Effective Institutions
- ii. Comprehensive, credible and policy-based budget preparation
- iii. Improved budget execution and control
- iv. Improved coverage and quality of fiscal reporting
- v. Improved asset and liability management
- vi. Strengthened identification, monitoring and management of fiscal risks
- vii. Improved Public Investment Management (PIM)

PFM refers to the laws, institutions, systems and processes by which public resources are planned and managed

DRF is not a standalone mechanism and needs to be integrated into broader fiscal frameworks and linked to disaster risk management functions

The PFM cycle provides a structured approach to managing public resources and is operationalizing DRF and disaster risk management

Overarching Frameworks, Institutional Arrangements, Guidance & Capacity

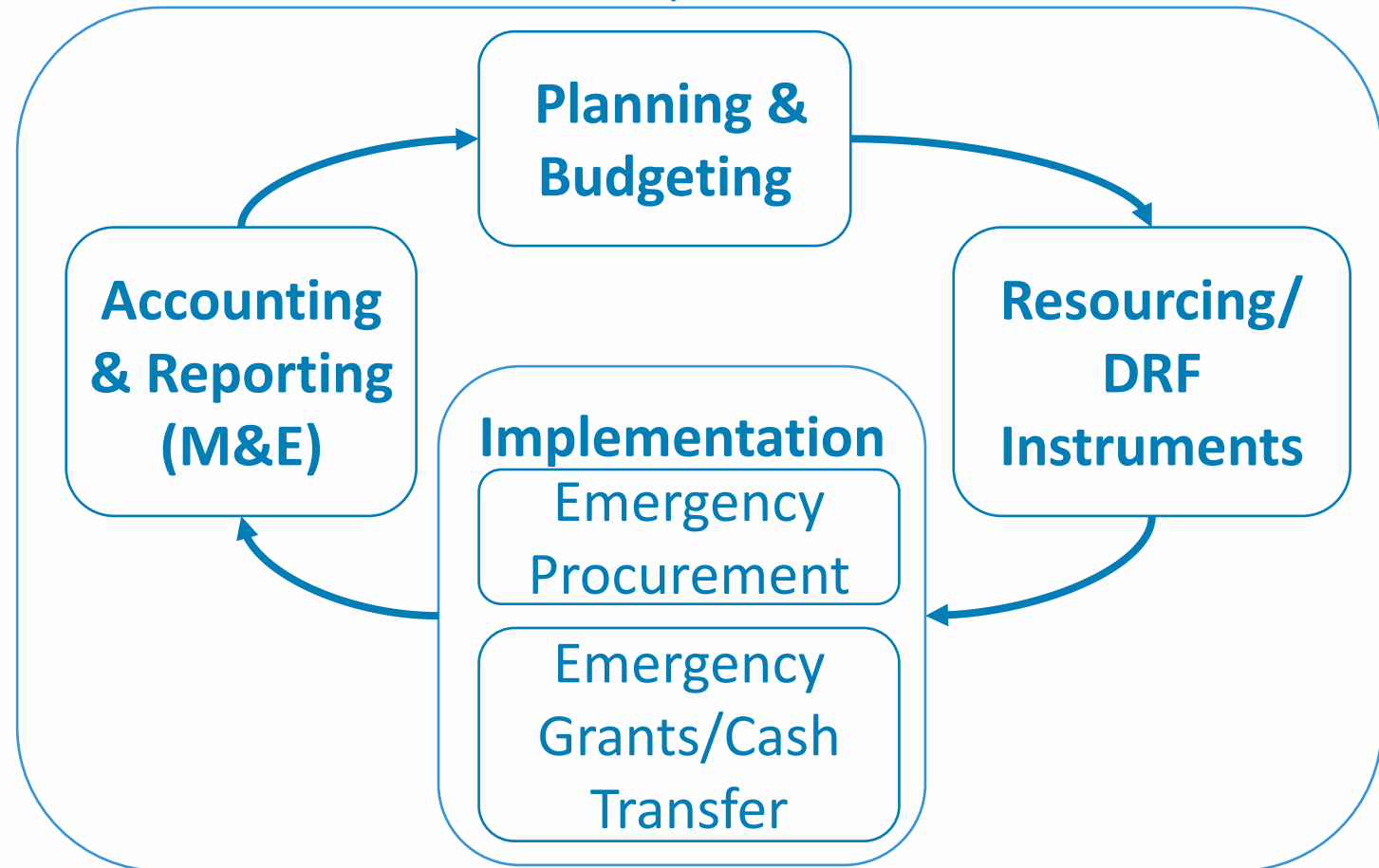


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Thank You
Vínaka vakalevu