

Global Shield Secretariat Submission to the Climate High-Level Champions and the Marrakech Partnership

Feedback on the Five-Year Vision and Plan for the Global Climate Action Agenda

The Global Shield Secretariat welcomes the opportunity to contribute to shaping the next five years of the Global Climate Action Agenda (GCAA). We commend the Climate High-Level Champions for anchoring the GCAA in the outcomes of the first Global Stocktake (GST) and for advancing an agenda that connects Parties and non-Party stakeholders (NPS) to accelerate implementation of the Paris Agreement.

In the face of escalating climate shocks, the availability of timely, targeted, and predictable finance for loss and damage is a critical enabler of resilience. We submit this input to underscore the role of pre-arranged finance in the loss and damage finance landscape, and to position the Global Shield against Climate Risks as a primary initiative ready to deliver such finance at scale in support of GST implementation, NDCs, and NAPs.

Global Shield against Climate Risks

Launched at COP27 by the V20 and G7, the Global Shield against Climate Risks is a collaborative initiative aimed at expanding and improving access to predictable, well-structured climate and disaster risk finance to close the financial protection gap. Instruments include national disaster risk funds, insurance mechanisms with premium subsidies, and other tools that provide rapid liquidity after extreme events without adding debt burdens.

Since its launch, the Global Shield has been engaged in 12 countries, including Ghana, Pakistan, Costa Rica, Bangladesh, the Philippines, Senegal, Malawi, and Madagascar, as well as in the Pacific region (see Figure 1). In 2024, milestones included Ghana's first payout from the African Risk Capacity drought insurance policy, the initiation of new processes in Costa Rica, the Pacific region, Senegal, Madagascar, The Gambia and Pakistan. This was followed by Requests for Support from Pakistan,



Figure 1. Countries and regions where the Global Shield against Climate Risks is currently active (as of August 2025).

Costa Rica, and a number of others forthcoming in 2025, underscoring the rising demand for scalable, pre-arranged finance solutions.

The Global Shield’s bottom-up, country-owned and country-led In-Country Process (ICP) brings together governments, civil society, and private actors in an inclusive, multi-stakeholder process to co-develop tailored financial protection packages that address national and regional needs (see Figure 2). These packages are delivered through three dedicated financing vehicles: the Global Shield Financing Facility (GSFF), the Global Shield Solutions Platform (GSSP), and the CVF–V20 Joint Multi-Donor Fund (JMDF)¹. Together, they enable layered support at macro, meso, and micro levels, strengthening public financial management, supporting adaptive social protection, and delivering rapid liquidity during crises. The V20’s 14th Ministerial Communiqué further calls for a scale-up of global pre-arranged finance by 2030, highlighting that less than 2% of crisis finance is currently pre-arranged, with only a fraction reaching low-income countries.²



Figure 2. Bottom-up, Country-Owned and Country-Led In-Country Process of the Global Shield against Climate Risks.

¹ Global Shield Financing Facility (GSFF), hosted by the World Bank, is a multi-donor trust fund that supports vulnerable countries by providing increased access to financial protection against climate shocks and disasters. Global Shield Solutions Platform (GSSP), a multi-donor grant facility hosted by the Frankfurt School of Finance & Management, focuses on developing and implementing Climate and Disaster Risk Finance and Insurance (CDRFI) solutions to address climate-induced loss and damage. Both GSFF and GSSP are key financing vehicles of the Global Shield against Climate Risks initiative, working alongside the Climate Vulnerable Forum (CVF) and V20 Joint Multi-Donor Fund (JMDF) to scale up pre-arranged finance mechanisms for vulnerable countries.

² [V20 Ministerial Dialogue Communiqué](#) (April 24, 2025, Washington D.C., USA) emphasises the need for scaling up pre-arranged finance. The communiqué highlights that less than 2% of the \$76 billion spent on crisis finance in 2022 was pre-arranged. Of that already limited share, only 1.4% reached low-income countries.

Driving the GCAA Forward: Global Shield's Commitment and Contribution

With robust governance, inclusive country engagement, and a growing portfolio of operational packages, the Global Shield is ready to help deliver the GCAA's five-year vision by:

- Scaling up pre-arranged, non-debt finance as a core component of loss and damage response.
- Supporting country-led financial protection strategies that are integrated into NDCs, NAPs, and national fiscal frameworks.
- Linking finance to action by embedding sovereign risk transfer, contingency funds, and premium subsidies into early warning and adaptive social protection systems.
- Mobilising blended public-private solutions that protect fiscal space and accelerate recovery for climate-vulnerable populations.

Global Shield's Input on the Five-Year Vision for the GCAA

1. What should success look like for the GCAA in the next five years?

By 2030, success will mean:

- Pre-arranged finance is embedded as a core component of the global loss and damage finance architecture, complementing adaptation and humanitarian systems.
- The share of global crisis finance that is pre-arranged increases from the current <2% to at least 20%³, with a significant proportion reaching low-income and climate-vulnerable countries.
- Country-led financial protection strategies are institutionalised in NDCs, NAPs, and fiscal frameworks, ensuring that finance is predictable, needs-driven, and nationally owned.
- Average trigger-to-disbursement time for sovereign instruments is reduced to under two weeks⁴.

Rationale for embedding pre-arranged finance

Embedding pre-arranged finance in the loss and damage architecture ensures that resources are mobilised before climate shocks escalate into humanitarian or fiscal crises. Unlike post-disaster aid, which often arrives too late and increases debt burdens, pre-arranged finance is linked to pre-defined triggers and disbursement channels. This enables anticipatory action, providing rapid liquidity to governments, communities, and delivery systems so that:

- Vulnerable households receive timely assistance, preventing them from falling deeper into poverty after shocks.
- Adaptive social protection systems can be scaled up quickly, either by increasing support to existing beneficiaries or by enrolling pre-identified vulnerable households.

³ The CVF-V20 is therefore calling for a tenfold increase in pre-arranged finance to 20% by 2030, with this amount being doubled afterwards. Available at: <https://cvfv20.org/recap-on-cvf-v20s-pathway-to-prosperity/>

⁴ According to OPM's independent evaluation, once Board approval was reached, payouts were largely made by ARC Ltd within their KPI target of 10 business days. OPM report is available online at: <https://www.opml.co.uk/sites/default/files/2025-02/arc-ia1-evaluation-report.pdf>

- Early interventions protect development gains, reduce recovery costs, and limit the need for prolonged humanitarian relief.

Measurable indicators of success:

- Number of countries with operational pre-arranged finance mechanisms integrated into national plans.
- Annual volume of non-debt pre-arranged finance mobilised for climate-vulnerable countries.
- Disbursement speed and proportion of funding reaching affected households within 14 days of a trigger event.

2. How can the GCAA facilitate direct and impactful engagement to advance the full delivery of the GST, NDCs, and NAPs?

- Promote inclusive country platforms, such as the Global Shield's country-owned and country-led In-Country Process, which brings together ministries, local authorities, civil society organisations, and private sector actors.
- Facilitate joint design and operation of early warning-linked financing mechanisms by bringing together Parties and NPS, such as meteorological agencies, social protection authorities, insurers, and humanitarian organisations, to integrate risk transfer and contingency funds into national early warning and anticipatory action systems. This coordination ensures that climate risk triggers are backed by pre-arranged finance and that responses align with GST, NDC, and NAP priorities.
- Leverage technical partnerships with insurance markets, risk analytics providers, and development banks to scale solutions.

3. How can the GCAA ensure inclusive engagement, especially for underrepresented groups and regions?

- Institutionalise multi-stakeholder participation by embedding requirements in GCAA-endorsed processes for Parties to engage civil society, local communities, women's groups, youth, and the private sector in the design and delivery of financial protection strategies.
- Mobilise technical partnerships through the GCAA to strengthen national capacity for risk analytics, fiscal planning, and disaster risk finance (DRF) governance, ensuring underrepresented countries can participate on equal footing.
- Prioritise outreach and tailored support for underrepresented regions and fragile contexts, including through GCAA-facilitated connections to regional risk pools and dedicated financing or advisory windows.

4. How can the GCAA improve transparency, reporting, and follow-up in its tools and outputs?

- Introduce dedicated indicators in the Global Climate Action Portal for pre-arranged, non-debt climate finance, disaggregated by instrument type, disbursement speed, beneficiary profile, and alignment with NDC/NAP objectives.
- Track timeliness and coverage by requiring Parties and NPS to report trigger dates, disbursement dates, and the number of people reached through early action mechanisms.

- Include an annual “Loss and Damage Finance Delivery” section in the Yearbook of Global Climate Action, highlighting cases where early disbursement prevented vulnerable households from falling into poverty and protected fiscal space.
- Enable open-access data visualisation on the Portal to allow policymakers, researchers, and civil society to compare performance across countries and instruments.
- Integrate qualitative lessons learned from in-country processes and regional initiatives into Yearbook case studies to support peer learning and replication.

Realising the GCAA Vision

Pre-arranged, non-debt finance is a high-impact, scalable solution that bridges early warning and early action. The Global Shield stands ready to work with the Climate High-Level Champions, Marrakech Partnership, and Parties to ensure that loss and damage finance in the next five years is predictable, rapid, and equitable, protecting lives, livelihoods, and fiscal stability in the world’s most climate-vulnerable countries.