IMF Lending Under the Resilience and Sustainability Trust

An Initial Assessment

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Abstract

This paper provides an early assessment of five initial programs supported by the IMF's new facility supported by the Resilience and Sustainability Trust to address two long-term challenges, climate change and pandemic preparedness. We find that its operations can be strengthened to better achieve the underlying objectives. They include: paying greater attention to depth of program measures; ensuring that the overall number of program conditions are not excessive to unduly strain the capacity of countries; better coordinating program support with the provision of diagnostics by international financial institutions identifying reform measures to be included in the program; reporting the share of climate-related investment in total investment in countries receiving support from the new facility; and including measures to prepare for pandemics in the subsequent programs.

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1. Introduction

In 2022, the IMF board approved the establishment of the Resilience and Sustainability Trust (RST) to provide financial support to countries addressing two key long-term structural challenges, *climate change and pandemic preparedness* (IMF, 2022). 143 countries are eligible to receive support from Resilience and Sustainability Facility (RSF) supported by RST, which include all low-income countries, all developing and vulnerable small states, and lower middle-income countries. Access under RST is limited to 150 percent of a country's IMF quota or up to SDR 1 billion. The loans have a long maturity of 20 years with a grace period of 10½ years and are provided at highly concessional terms. The lower middle-income countries pay a higher interest margin than lower-income countries, which implies that their concessionality is reduced when interest rates rise.

The RSF is to be funded through voluntary contributions of Special Drawing Rights (SDRs) by rich countries, which received most of the August 2021 allocation. It can also be funded by loans and grants from rich countries provided in SDRs or any freely usable currency. The goal is to raise about $42 billion for the trust, of which about $20 billion had been raised as of October 2022 and the IMF expects the remaining contributions soon.

As of March 2023, IMF Board has approved RST-supported programs for five countries, Bangladesh, Barbados, Costa Rica, Jamaica, and Rwanda with disbursements starting in March 2023 for Costa Rica. By seeking long-term financing at concessional rates, these countries are making progress in addressing the challenge posed by climate change. *None of the five RSF-supported programs address the issue of pandemic preparedness*.

The RSF-supported programs are required to have *high-quality policy measures* in the two areas noted above. Any country availing of RSF financing should have a concurrent IMF-supported program (with and without financing) with "upper credit tranche" quality policies.[1] The five RSF programs have been accompanied by Extended Fund Facility (EFF) (Barbados and Costa Rica); Extended Credit Facility (ECF) (Bangladesh); Policy Coordination Instrument (PCI) (Rwanda); and Precautionary Liquidity Line (PLL) (Jamaica). RSF and accompanying programs have committed over SDR 7 billion to the five countries of which SDR 2.5 billion is from RST.

The purpose of this paper is to provide an initial assessment of five RCT-supported programs and draw lessons for future programs. The paper does not go into the design of RSF as in Hicklin (2023), rather focuses on its operations. The paper's analysis should also feed into the first review of RSF.

The paper is organized as follows: The next section (2) discusses the nature of conditionality in RST programs as well as the areas covered by it. Section 3 discusses various IMF/World Bank diagnostics designed to identify policy and capacity gaps in countries supported by RST. Section 4 draws some initial lessons from the experience of five country cases.

1 See Hicklin (2023) for a discussion on ways to relax this requirement.

2. Conditionality in RST-supported programs

Under the RSF, there are specific reform measures that countries are required to implement over the program period. So far, all measures included in these programs are in the area of climate change. As noted earlier, they do not cover any aspect of pandemic preparedness.

There could be three plausible explanations for these programs not including measures to prepare for future pandemics. First, governments that have entered an RSF program with the IMF believe that with COVID receding, the next pandemic is far off. The second plausible reason is that neither IMF staff nor country officials discussing RSF programs are sufficiently knowledgeable about policies needed to prepare for future pandemics. Finally, perhaps a more important explanation is that the IMF, the World Bank, and the World Health Organization (WHO) are yet to develop the guidelines on pandemic preparedness which could help identify measures to be included in RST-supported programs (Gupta, Guzman, and Plant (2022)). This is even though in an IMF survey of its membership, over 60 percent of countries expressed interest in instituting measures to prepare for future pandemics as part of an RST-supported program. The ensuing discussion is thus focused entirely on climate conditionality in RST-supported programs.

Climate conditionality

An RST-supported program is expected to focus on five key areas: climate mitigation, climate adaptation, climate finance, public investment management (PIM), and public financial management (PFM). Table 1 gives the share of each of these broad areas in RST conditions in five approved programs. Climate finance is the largest area, followed by public financial management, and climate mitigation. When combined with PIM, PFM broadly defined is the dominant area with slightly less than half of all measures in RST-supported programs. In this respect, RST-supported programs are no different from other IMF-supported programs in low and low-middle income countries, where PFM conditionality has been dominant. PFM conditionality played a key role in IMF programs designed to facilitate debt relief to heavily indebted low-income poor countries in 2000s.

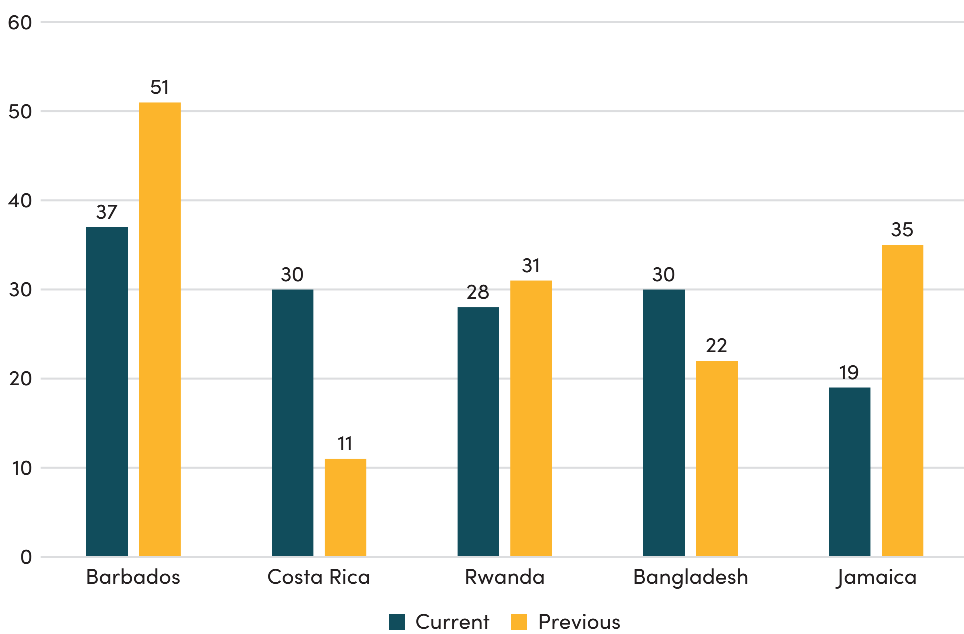
TABLE 1. Key climate action areas in five RST-supported programs

Country	Climate Adaptation	Climate Mitigation	Climate Finance	Public Investment Management	Public Financial Management
Barbados	2	3	2	0	3
Costa Rica	0	3	4	2	3
Rwanda	0	0	4	3	6
Bangladesh	0	0	6	2	3
Jamaica	0	3	5	1	3
Total	**2**	**9**	**21**	**8**	**18**

There some similarities in reform measures (RMs) included in the five RSF programs with structural conditions (SCs) incorporated in a typical PRGT or GRA-supported program. For example, the latter also focus on PIM and PFM. The RMs included in RST-supported programs are over and above SCs, quantitative performance criteria (QPC) and indicative targets in the concurrent IMF-supported program which is required to be in place for tapping RST financing.[2] The RMs in RST programs vary between 10 and 13, with a median of 12. Annex 1 gives the list of RMs in RST-supported programs.

With RMs in the climate area, the overall number of conditions in an RST-supported program together with the accompanying IMF program appear to have increased in two countries (Costa Rica and Bangladesh) vis-à-vis previous IMF-supported programs (Figure 1). They declined in two countries (Barbados and Jamaica) and remained broadly unchanged in Rwanda. Countries faced with a larger number of conditions with a relatively weak implementation capacity may find it difficult to implement them during the program period.

FIGURE 1. Conditions in current and previous programs



Sources: RST, EFF, ECF, PLL, SBA, and PCI documents.
Note: Prior programs are 2018 EFF for Barbados, 2009 SBA for Costa Rica, 2019 PCI for Rwanda, 2012 ECF for Bangladesh, and 2016 SBA for Jamaica.

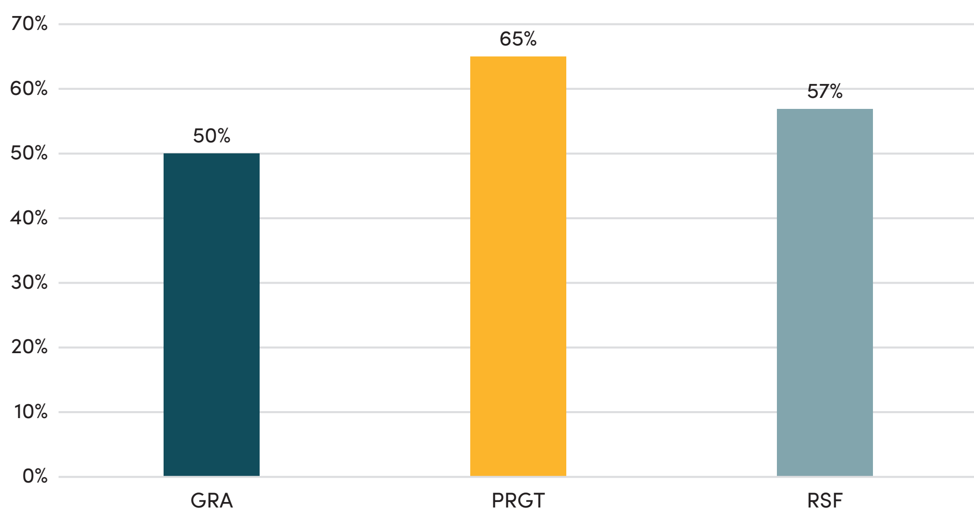
2 QPCs are conditions that are under the control of government officials and can be measured by economic indicators; they must be satisfied (or waived) to allow purchases under the program conditional on performance. Indicative targets also are quantitative measures that could be set in addition to QPC to assess progress in meeting program objectives and are sometimes set when QPC cannot be used due to data unreliability. These targets might be converted into QPC as uncertainty lessens, with some modifications. SCs, on the other hand, are not quantifiable and are not used as conditions that must be met (or waived) but they are used as critical markers to assess progress with implementation of policy actions included in a program.

Composition of conditions

The composition of RMs in RSTs is similar to SCs included in other IMF programs supported by GRA and PRGT resources. Fiscal conditions dominate GRA and PRGT-supported programs: more than two-thirds of all conditions are fiscal in nature, with more than half taking the form of QPCs and 40 percent constituting SCs (Gupta, 2021). Fiscal SCs constitute two-thirds of all SCs in PRGT-supported programs in contrast to one-half in GRA-supported programs (Figure 2). A similar picture emerges in RST-supported programs (excluding conditionality on the accompanying IMF program), where fiscal RMs constitute three-fifths and financial sector RMs make up one -fourth. The most common fiscal RMs are incorporating fiscal risk arising from climate change into the budget and strengthening guidelines for project selection. The financial sector RMs are centered on climate proofing of the financial system.

At present, RST-supported programs provide a list of RMs without highlighting their relative importance in the program design. The lack of prioritization of RMs is important omission because resources from RST are disbursed only after the completion of a successful program review and not at the time of program approval.

FIGURE 2. Share of fiscal SC/RM in total SC/RM

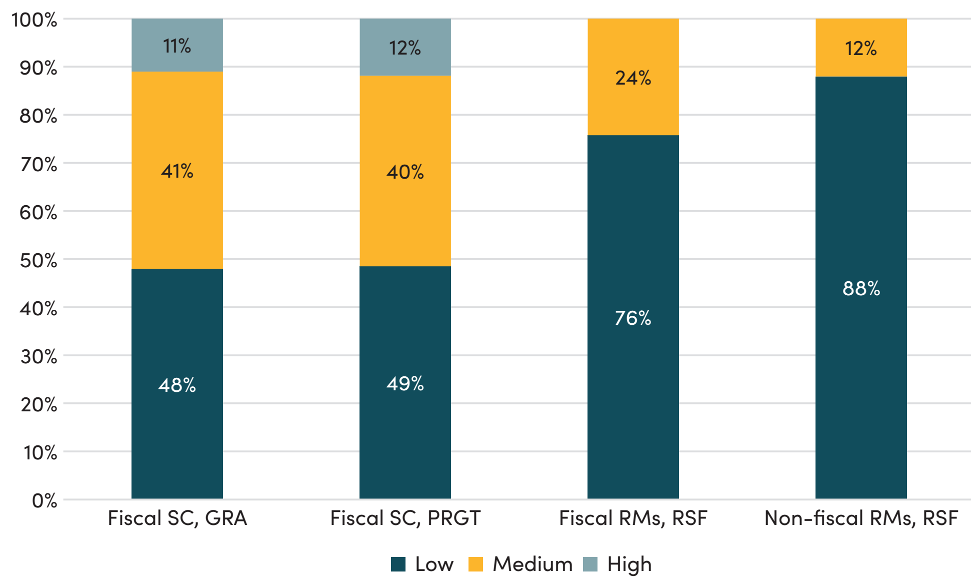


Sources: Gupta (2021) based on 131 programs implemented during 2008 and 2019; various RST documents.

Conditionality depth

How deep are RMs embodied in RSFs to help bring about climate transition? Following the methodology used in IMF 2018 review of conditionality (IMF, 2019c), RMs in RSFs can be classified into high, medium, or low depth measures. High-depth reforms are those that entail permanent institutional changes, such as legislative changes (parliamentary approval of the new VAT law), or have a long-lasting impact (e.g., civil service reforms). Medium-depth reforms cover measures that lead to a significant change but are one-off in nature (e.g., budget approval or one-time change in tariff/tax rates). Finally, low-depth reforms do not bring about a change by themselves but are steps toward a change that can pave the way for implementation of more critical reforms. In contrast to 131 GRA and PRGT-supported programs implemented during 2008 and 2019, RST-supported programs are dominated by low-depth measures constituting around 80 percent of the total in fiscal RMs and 90 percent of non-fiscal RMs. Medium depth RMs make up the remaining.

FIGURE 3. Fiscal SC/RM by depth



Sources: Gupta (2021) based on 131 programs implemented during 2008 and 2019; various RST documents.

This result is not surprising for several reasons. First, RSF is meant to focus primarily on slow-moving long-term challenge of climate change as compared to GRA and PRGT programs which tend to have a short to medium-term focus. Second, countries receiving assistance under RST are merely beginning to take steps towards climate transition. The reform measures incorporated in RSF programs could thus be viewed as initial steps in that direction. Third, there are not enough climate diagnostics available to identify policy gaps and formulate appropriate reform measures, although Bank/Fund together with the relevant MDB have collaborated to identify RMs in consultation with the authorities in five countries. Finally, the capacity of countries is not sufficiently developed to implement more ambitious mitigation, adaption and climate transition measures. Notwithstanding, one is left wondering about the small number of medium depth measures in the five RST programs. The large share of low-depth measures has implications for the follow- up RSF or other IMF-supported programs.

Cross-conditionality

As noted earlier, RMs conditions in an RST-supported program can also be included as SCs in the concurrent IMF-supported program. However, a very limited use has been made of this option. Only in the case of Bangladesh, the periodic adjustment in petroleum prices is both a SC and RM in the two concurrent IMF-supported programs. As noted earlier, PFM conditionality is widely prevalent in all IMF-supported programs. This means that there is scope for increased use of PFM cross-conditionality in the future RST-supported programs to lower the overall number of conditions. This would be important for countries with a relatively weak implementation capacity.

3. Diagnostics and capacity-building support in RST countries

There are three key diagnostic tools that are meant to assist RST countries identify policy and capacity gaps in preparing for climate transition. They are IMF's Climate Public Investment Management Assessment (C-PIMA) and the Climate Macroeconomic Assessment Program (CMAP) as well as World Bank's Country Climate and Development Reports (CCDRs). So far, 22 C-PIMAs, 25 CCDRs, and 2 CMAPs have been completed.[3] Three C-PIMAs are ongoing. Annex 2 gives the list of completed C-PIMAs and CCDRs.

There has been some support from IMF/World Bank diagnostics in the design of RST-supported programs. Of the five countries currently receiving assistance under RST, three (Costa Rica, Jamaica, and Rwanda) and two (Bangladesh and Rwanda) have benefited from C-PIMAs and CCDRs, respectively. None of the five RST country have had the help of a CMAP. Only one country, Rwanda, received input from both C-PIMA and CCDR.[4]

It seems that capacity building support and the provision of financing under RST are not well-coordinated. To some extent, the two activities are likely to move at different speeds, not least because not all countries are seeking RSF but are still implementing climate-related measures as part of their own reform programs.

While availability of climate diagnostics from international financial institutions (IFI) has been lacking, countries have partly relied on their national climate-related strategies to formulate RMs in RST-supported programs. For example, RMs in Costa Rica's program support its Decarbonization and National Adaptation Plans, and one of Bangladesh's RMs specifically draws from its National Adaptation Plan. Barbados's RMs draw from its Economic Recovery and Transformation (BERT) plan.

One lesson learnt from Public Investment Management Assessment (PIMA)—the precursor of C-PIMA is that even when well-designed processes are put in place as envisioned under RSF reform conditions, countries may not implement them in practice. For example, the government may not adhere to laws to ensure transparency of procurement. This means that the full benefits of the public investment program in support of climate transition may not be realized (IMF, 2018b). This has implications for the successor RCF programs or other IMF facilities.

3 The IMF Board has not yet approved the establishment of CMAPs.

4 Bangladesh benefitted from a desk-based C-PIMA, which was used to design RSF reform measures. It is to be followed by a full-fledged C-PIMA.

4. Initial lessons

RST-supported programs are providing long-term financing at highly concessional terms to developing countries address structural challenges of climate transition and pandemic preparedness. In this respect, the new facility is a welcome addition to the IMF's lending tool kit. That said, the limited experience so far suggests that there are ways in which its operations can be strengthened to better achieve the underlying objectives. Based on our preliminary assessment, we have the following five suggestions:

Pay greater attention to depth of program measures

The share of low-depth RMs is almost double in RST-supported programs as compared to SCs of a typical GRA and PRGT-supported program. Since the objective is to achieve more durable institutional and policy changes in climate transition and pandemic preparedness, it would be necessary to move to a larger share of relatively greater depth measures in the subsequent IMF-supported programs, including RSF. Availability of increased diagnostics by IFIs would help in this regard. At the same time, reform measures, including in public investment implemented as part of RSF should be monitored to ensure that they are applied in practice.

A related issue is how RMs incorporated in these programs would enable the IMF to conclude program review and disburse funds from RST to countries. This is important because no resources from RST are disbursed at the time of program approval. As discussed earlier, RST-supported programs provide a list of RMs without highlighting their relative importance in the program design. This seems to give the IMF leeway on establishing their prioritization when assessing implementation of measures. To avoid perception of unfairness in subsequent programs, it would seem appropriate to prioritize RMs in terms of depth at the time of program approval.

Pay attention to capacity to implement conditionality

The preceding analysis showed that with the advent of RST, the overall conditionality in IMF-supported programs has increased in some countries. This raises the question if low-income or low-middle income countries have the capacity to implement an even larger number of conditions. A study on revenue conditionality has shown that countries with weak capacity are unable to implement all IMF program revenue conditions in contrast with countries with stronger institutions (Crivelli and Gupta, 2016). This suggests that future programs should keep an eye on overall conditions, particularly when countries begin to incorporate reform measures in pandemic preparedness. Countries may not be able to absorb scaled-up international support for capacity building to address implementation capacity constraints in RST-supported countries. In any case, more C-PIMAs, CCDRs and CMAPs would need to be conducted in countries expected to seek RST programs as noted below.

Monitor climate-related public investment

Prior to the launch of debt relief initiative for highly indebted poor countries in 1996, high debt service payments on multilateral and other debt in many poor countries squeezed public spending on social sectors. In writing off debt and providing relief from debt service payments, Bank/IMF Boards required countries benefiting from the Initiative to regularly report the budget share of poverty-reducing spending in total spending. The objective was to ensure that resources released by debt relief were used for increasing poverty reducing spending (IMF, 2001). A similar approach could be considered for countries drawing RST resources whose key purpose is to increase investment in climate transition. Under this approach, RSF countries would be required to report the budget share of climate-related investment in total public investment. Two RSF programs (e.g., Costa Rica and Rwanda) already have conditionality on countries tagging climate spending in the budget. This should facilitate monitoring the share of climate-related investment in total public investment. Monitoring certain types of public spending is widespread in IMF-supported; for example, many IMF-supported programs have a floor on social spending.

Increase support through climate diagnostics

While perfect alignment of diagnostics with program support is difficult to achieve, increased coordination between the two would help countries reap full benefits from the financial support through RST.

Focus also on pandemic preparedness

Pandemic preparedness is a long-term priority which has strong global public good characteristics. While it is understandable that some initial RST programs were unable to include measures on pandemic preparedness for the reasons noted earlier, it is crucial that the subsequent RST programs do so.

At the same time, there is little basis to wait for health preparedness guidelines to be developed together with the World Bank and WHO. There is sufficient understanding of policy changes needed to strengthen existing health systems, particularly at the primary healthcare- and community-level, that countries could implement at this stage. They are needed not only to prepare for the next pandemic, but also to strengthen existing health systems to deliver essential routine services (Gupta, Guzman, and Plant, 2022).

As noted above, the median number of climate-related reform measures included in RST-supported programs is 12. Care would need to be taken to ensure that overall reform measures including those on health do not become excessive when combined with QPCs and SCs in the concurrent IMF-supported program. To remain parsimonious, some climate-related reform conditions may need to be dropped to make room for conditionality on pandemic preparedness. A greater use of cross-conditionality between an RST and other IMF programs particularly in the PFM area may help in reducing the authorities' workload and simplify program monitoring by the ministry of finance with a limited capacity.

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Annex 1. RSF measures

RSF measures, Bangladesh

Reform Area	Reform Measure	Type	Depth	Theme
	RM1: Government to adopt a sustainable public procurement policy paper and an associated action plan to integrate climate and green dimensions.	Fiscal	Low	Public Financial Management
	RM2: Government to adopt a periodic formula-based price adjustment mechanism for petroleum products.	Fiscal	Medium	Public Financial Management
	RM3: BB to adopt guidelines for banks and financial institutions on reporting and disclosure of climate-related risks in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).	Financial	Low	Climate Finance
	RM4: Government to adopt a national disaster risk financing strategy while integrating social assistance measures.	Fiscal	Low	Climate Finance
	RM5: MoF to adopt and implement a methodology for embedding climate change in the MTMF, through analyzing macro-fiscal risks from climate change and publishing it in the Medium-Term Macroeconomic Policy Statement (MTMPS).	Other	Low	Climate Finance
	RM6: Government to issue a circular on an update to the Green Book1/ to include supplementary guidance on sector specific methodologies that integrate climate considerations in the appraisal of major infrastructure projects starting from two key sectors.	Other	Low	Public Investment Management
	RM7: BB to conduct and publish climate stress testing for the overall financial system and update the Guidelines on Stress Testing for banks and financial institutions to include climate change considerations.	Financial	Low	Climate Finance
	RM8: Government to adopt an updated PPP policy and framework that integrates climate-related risks and develop relevant guidelines.	Other	Low	Climate Finance
	RM9: Government to issue a circular on the adoption of an annex to the Green Book that specifies selection and prioritization criteria for major infrastructure projects that is aligned with the NDC and the NAP.	Fiscal	Low	Public Investment Management
	RM10: Government to establish a public asset register module of the iBAS++ and will incorporate information on climate-related risks and vulnerability of new public assets to the module.	Fiscal	Low	Public Financial Management
	RM11: BB to update the Policy on Green Bond Financing, particularly the annex on green taxonomy to be fully aligned with the NAP's strategic and investment priorities.	Financial	Low	Climate Finance

RSF measures, Barbados

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
Pillar 1: Reform measures to build resilience to natural disasters and climate change	1) Adopt a set of measures consisting of: (i) Government to approve the Planning and Development Act to improve the climate resilience of roads through improved drainage and other interventions; (ii) Government to table in parliament the Water Re-use Bill, incorporating the new water re-use policy; (iii) Government to fully operationalize the National Environmental and Conservation Trust.	Fiscal	Medium	Climate Adaptation
Pillar 1: Reform measures to build resilience to natural disasters and climate change	2) Government to (i) include a fiscal risk statement focusing on climate change risks in the budget for FY2023/24; and (ii) approve Procurement Act Regulations to enhance efficiency and effectiveness of public expenditure and to support 'green procurement'. The act should include the requirements to publish beneficial ownership information of bidding companies.	Fiscal	Medium	Public Financial Management
Pillar 1: Reform measures to build resilience to natural disasters and climate change	3) Government to approve the National Comprehensive Disaster Risk Management Policy to support mainstreaming of comprehensive DRM principles into ministry and agency budget planning, ensuring resilience in government and business continuity after a disaster event.	Other	Medium	Public Financial Management
Pillar 1: Reform measures to build resilience to natural disasters and climate change	4) Government to table an amended Prevention of Floods Act in parliament, incorporating the new Stormwater Management Plan.	Other	Low	Climate Adaptation
Pillar 1: Reform measures to build resilience to natural disasters and climate change	5) Government to implement reforms to strengthen integration of climate concerns into the PFM process, based on a comprehensive diagnostic evaluation.	Fiscal	Low	Public Financial Management
Pillar 2: Climate mitigation reform measures (reduction of GHG emissions)	6) (i) Government to lower import taxes for electric vehicles; (ii) Government to close remaining regulatory gaps in licensing policy/approvals framework to increase investments into battery storage technologies to meet energy demand.	Fiscal	Medium	Climate Mitigation
Pillar 2: Climate mitigation reform measures (reduction of GHG emissions)	7) Cabinet approval for the Energy Efficiency and Conservation Policy Framework to reduce energy use of all government agencies and develop efficient public lighting.	Fiscal	Medium	Climate Mitigation
Pillar 2: Climate mitigation reform measures (reduction of GHG emissions)	8) Parliament to adopt the New Electricity Supply Act to (i) enhance competition in the electricity market and (ii) introduce local participation in renewable energy investment.	Other	Medium	Climate Mitigation
Pillar 3: Reform measures to mitigate transition risks	9) The CBB to adopt a strategy with time-bound guideposts for building capacity to monitor and assess climate change risks, including building data collection mechanism and joining the Network for Greening the Financial System.	Financial	Low	Climate Finance
Pillar 3: Reform measures to mitigate transition risks	10) The CBB to include climate change risk in their bank stress testing exercise with support from MDBs including through relevant Capacity Development.	Financial	Low	Climate Finance

RSF measures, Costa Rica

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
I. Integrating Climate Risks into Fiscal Planning	RM1. Ministry of Finance to develop and publish guidelines for climate budget tagging.	Fiscal	Low	Public Financial Management
I. Integrating Climate Risks into Fiscal Planning	RM5. Ministry of Finance to expand the quantitative climate fiscal risk analysis in the Medium-Term Fiscal Framework to include climate transition risks.	Fiscal	Low	Public Financial Management
II. Strengthening Public Investment and Infrastructure Resilience	RM6. MIDEPLAN to develop and publish guidelines to expand the project appraisal process to assess the impact of the project on climate change through the social cost of carbon.	Fiscal	Low	Public Investment Management
II. Strengthening Public Investment and Infrastructure Resilience	RM9. MIDEPLAN to publish guidelines on project selection criteria including a range of climate change criteria for SNIP entities.	Fiscal	Low	Public Investment Management
II. Strengthening Public Investment and Infrastructure Resilience	RM10. MIVAH, in collaboration with MINAE, to develop and publish guidelines for including climate change analysis in Regulatory Plans.	Fiscal	Low	Public Financial Management
III. Supporting Decarbonization	RM2. Government to approve implementing regulation to simplify the administrative procedures for private participation in power generation from renewable sources for self-consumption.	Other	Low	Climate Mitigation
III. Supporting Decarbonization	RM7. Government to submit to the Legislative Assembly a bill to introduce feebate scheme to strengthen incentives for low-pollution private vehicles.	Fiscal	Medium	Climate Mitigation
III. Supporting Decarbonization	RM11. Government to appraise and publish a review of existing tax incentives with a negative effect on the environment to support decarbonization efforts.	Fiscal	Low	Climate Mitigation
IV. Greening Reserves and Strengthening Financial Sector Resilience	RM3. BCCR to create a repository with data on climate hazards; industrial and geographical vulnerability to climate events; banks' lending exposure to vulnerable industries and regions.	Financial	Low	Climate Finance
IV. Greening Reserves and Strengthening Financial Sector Resilience	RM4. BCCR to publish indicators of the "greenness" of its reserve holdings in its 2022 Annual Report.	Financial	Low	Climate Finance
IV. Greening Reserves and Strengthening Financial Sector Resilience	RM8. CONASSIF to approve regulation on management of socioenvironmental risks and climate change risks in the credit portfolio.	Financial	Low	Climate Finance
IV. Greening Reserves and Strengthening Financial Sector Resilience	RM12. BCCR to incorporate climate effects on the banking sector in its top-down stress testing, based on aggregated data and capturing those new risks on credit risk parameters.	Financial	Low	Climate Finance

RSF measures, Jamaica

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM1: The Ministry of Finance and Public Service (MOFPS) to adopt a National Natural Disaster Risk Financing (DRF) policy.	Fiscal	Low	Climate Finance
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM2: The Development Bank of Jamaica in consultation with the MOFPS to modify the Policy and Institutional Framework for the Public-Private Partnership (PPP) policy Program of the Government of Jamaica to include climate requirements in PPP project agreements from project identification to contract management and revise the PPP Standard Operating Procedure Manual to reflect these requirements.	Fiscal	Low	Public Financial Management
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM3: The Public Investment Appraisal Branch (PIAB) to define a methodology to conduct climate impact assessments at project appraisal stage (project proposal stage) and incorporate the methodology in the Public Investment Management System (PIMS). handbook.	Fiscal	Low	Public Investment Management
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM4: The Planning Institute of Jamaica (PIOJ) to define and publish project selection criteria including climate change criteria.	Fiscal	Low	Public Financial Management
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM5: The MOFPS to conduct and publish in the Fiscal Risk Statement quantitative analysis of the fiscal risks generated by climate change.	Fiscal	Low	Climate Finance
Pillar 1: Building Fiscal and Physical Resilience to Natural Disasters and Climate Change	RM6: The MOFPS to submit to parliament an amendment to the Financial Administration and Audit Act to establish a National Natural Disaster Reserve Fund (NDRF) subaccount under the consolidated fund account. In parallel, the MOFPS to approve financial regulations for a transparent administration and reporting of the NDRF.	Fiscal	Medium	Public Financial Management
Pillar 2: Strengthening Mitigation/Promoting Renewables	RM7: The MOFPS to submit to parliament a bill to incentivize investment in renewables through fiscal measures.	Fiscal	Medium	Climate Mitigation
Pillar 2: Strengthening Mitigation/Promoting Renewables	RM8: The Ministry of Science, Energy and Technology (MSET) to submit to parliament the electric vehicles policy, in line with the objectives in paragraph 23 of the Written Statement.	Other	Medium	Climate Mitigation
Pillar 2: Strengthening Mitigation/Promoting Renewables	RM9: The MSET to approve guidelines adapted to the type and purpose of the structures, to reduce energy use in schools, hospitals, and public buildings for the existing and new structures.	Other	Low	Climate Mitigation
Pillar 3: Greening the Financial Sector	RM10: BOJ to publish a climate risks assessment (including a diagnostic of related climate and environmental risks detailing the current governance and regulatory regime) and define a timeline to embed these risks in supervisory activities and related databases for the development of climate risks assessments.	Financial	Low	Climate Finance

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
Pillar 3: Greening the Financial Sector	RM11: Adopt a monitoring framework that improves data collection and establishes the reporting requirements for financial institutions to implement Climate Related Financial Risks stress testing and for the BOJ to gradually integrate climate risks in supervision and macroprudential policy formulation.	Financial	Low	Climate Finance
Pillar 3: Greening the Financial Sector	RM12: Establish an institutional framework for green-bond issuance and trading.	Financial	Low	Climate Finance

RSF measures, Rwanda

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
Reform Area 1. Strengthening and institutionalizing the monitoring and reporting of climate-related spending feeding into decision making processes.	RM4. Produce internal guidelines on the planned climate budget tagging system, including anticipated changes to the budget call circular and user requirements for the Integrated Financial Management Information System (IFMIS).	Fiscal	Low	Public Financial Management
Reform Area 1. Strengthening and institutionalizing the monitoring and reporting of climate-related spending feeding into decision making processes.	RM6. MINECOFIN staff to implement climate change budget tagging as a prototype on development expenditure only and publish a climate budget statement using the first budget tagging results. Identify in the Budget Framework Paper (BFP) how climate information has been used in decision making.	Fiscal	Low	Public Financial Management
Reform Area 1. Strengthening and institutionalizing the monitoring and reporting of climate-related spending feeding into decision making processes.	RM9. MINECOFIN staff to expand the climate change budget tagging framework to cover all expenditure, adopting the approach laid out in the internal guidelines and drawing on lessons learned in the prototype period.	Fiscal	Low	Public Financial Management
Reform Area 1. Strengthening and institutionalizing the monitoring and reporting of climate-related spending feeding into decision making processes.	RM11. Publish comprehensive tagging results in the climate budget statement and start publishing a quarterly climate expenditure report that compares climate change expenditure execution with budget plans.	Fiscal	Low	Public Financial Management
Reform Area 2. Integrating climate risks into fiscal planning.	RM1. Submit a quantitative climate risk analysis in the Fiscal Risk Statement to the Fiscal Risk Committee.	Fiscal	Low	Public Financial Management
Reform Area 2. Integrating climate risks into fiscal planning.	RM7. Further expand the quantitative climate risk analysis to include PPPs and SOEs that are vulnerable to climate-related risks, highlighting how investment in adaptation seeks to reduce the impacts of negative climate events.	Fiscal	Low	Public Financial Management

Reform Area	Measure/Structural Benchmark	Type	Depth	Theme
Reform Area 3. Improving the sensitivity of PIM to climate-related issues.	RM2. Update the national investment policy to integrate the climate agenda.	Fiscal	Low	Public Investment Management
Reform Area 3. Improving the sensitivity of PIM to climate-related issues.	RM5. Publish the guidelines for the appraisal and selection criteria, including climate considerations, at MINECOFIN website.	Fiscal	Low	Public Investment Management
Reform Area 3. Improving the sensitivity of PIM to climate-related issues.	RM10. Publish a consolidated report on major projects in the pipeline by sector with information inclusive of (i) the appraisal and selection criteria related to adaptation and mitigation and (ii) the distribution of ratings according to the appraisal and selection criteria related to adaptation and mitigation.	Fiscal	Low	Public Investment Management
Reform Area 4. Enhancing climate-related risk managements for financial institutions and developing a green finance market as part of the broader capital market development effort to help mobilize financing.	RM8. Issue a guideline for climate-related risk managements for financial institutions.	Financial	Low	Climate Finance
Reform Area 4. Enhancing climate-related risk managements for financial institutions and developing a green finance market as part of the broader capital market development effort to help mobilize financing.	RM12. Issue a guideline to financial institutions with regard to the implementation of recommendations of the International Sustainability Standards Board (ISSB).	Financial	Low	Climate Finance
Reform Area 5. Strengthening disaster risk reduction and management.	RM3. Adopt the new National Disaster Risk Reduction and Management Policy, replacing the 2012 National Disaster Management Policy, focusing on clarifying the roles and responsibilities between institutions and providing clear frameworks for community-based disaster risk reduction and management.	Other	Low	Climate Finance
Reform Area 5. Strengthening disaster risk reduction and management.	RM13. Develop financing mechanism at the local level to enhance the ability of local governments to mobilize resources to finance the planning and implementation of disaster risk reduction and management strategy at the local level.	Other	Low	Climate Finance

Annex 2. Completed C-PIMA and CCDRs

Completed C-PIMA	
Anguilla	Grenada
Argentina	Haiti
Cambodia	Jamaica
Chad	Nepal
Cook Islands	Republic of Congo
Costa Rica	Rwanda
Croatia	Saint Vincent and the Grenadines
Democratic Republic of Congo	Seychelles
Egypt	Tamil Nadu (India State)
Gabon	Tanzania
Georgia	United Kingdom
Ongoing C-PIMA	
Ecuador	Guinea
Senegal	

Completed CCDRs	
Eastern and Southern Africa	
Angola	Rwanda
Malawi	South Africa
Western and Central Africa	
Burkina Faso	Mali
Cameroon	Mauritania
Chad	Niger
Ghana	
East Asia and Pacific	
China	Vietnam
Philippines	
Europe and Central Asia	
Kazakhstan	Turkiye
Latin America and the Caribbean	
Argentina	Peru
Middle East and North Africa	
Egypt	Jordan
Iraq	Morocco
South Asia	
Bangladesh	Pakistan
Nepal	