



## AIR QUALITY ASIA

a project of Sustainable World, Inc.

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### **Inaugural Session of the Expert Advisory Group to Develop the Loss & Damage Finance Mechanism Establishes Working Groups on Capital Markets Climate Finance, Capacity Building, and Just Transition**

On February 7, 2024, [Sustainable World Inc.](#) and its program [AirQualityAsia](#) [SW-AQA] held the inaugural session of the Expert Advisory Group [EAG] for the Loss & Damage Finance Mechanism [LDFM©]. The session outlined three working groups within the EAG, with each group presenting preliminary findings to Parliamentary Finance Committees convened by SW-AQA by September – October 2024. [The Expert Advisory Group](#) convenes climate finance experts to develop Loss & Damage solutions for climate-vulnerable nations that bridge the funding gap between available public sector financing and investment funds through capital markets in developed nations.

The Capital Markets Finance Working Group will assess & develop financing mechanisms to attract capital from the private sector to support solutions that mitigate present climate impacts and future risks. The mechanisms include private climate risk insurance, green bonds, debt-for-climate swaps, and new blended finance mechanisms to leverage capital from private equity markets. The assessments will be grounded in climate stress tests and mitigation pathways.

The Capacity Building Working Group will develop strategies to build capacity within V-20 Climate Vulnerable nations for implementing Loss & Damage Finance from the private sector. The strategies include providing technical assistance to national treasuries, ministries of finance, and parliamentary finance committees, and creating a climate-focused investment regulatory framework in collaboration with the IFI's to build effective L&D strategies aligned with global standards and requirements of capital markets.

The Just Transition Working Group will develop a funding framework that ensures Loss & Damage funding upholds just transition principles, including local stakeholder involvement, debt relief, and equity for climate impacted communities.

#### **About Sustainable World - Air Quality Asia:**

[Sustainable World Inc.](#) and its program [AirQualityAsia](#) [SW-AQA] is an Observer at the UN Environment Programme [UNEP], Observer at UNFCCC-COP, a regular civil society panelist and attendee at the World Bank, and Associate with the UN Department of Global Communications. Since 2017, SW-AQA has worked on Health and Economic Impacts of Air Pollution and Climate Change with legislators and governments in South and South-East Asia.