

# IFRM financing

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## DMC & MDB key IFRM financing issues

Local impediments	MDB impediments
<ul style="list-style-type: none"><li>• IFRM needs exceed capacity</li><li>• Competing options</li><li>• Last resort payer ladder</li><li>• “Flexibility”: postponed impacts, adjusted transfers</li></ul>	<ul style="list-style-type: none"><li>• IFRM as process vs. “landing an operation”</li><li>• Misalignment with DMC vision</li><li>• Asymmetry of reputational risk</li></ul>

# Thoughts on local financing models

- Asset means liability → O&M
- Who can pay – where is the money?
- Who should pay - who is benefiting?
- Piggybacking on utilities
- Solid waste & *polluter pays* principle
- Output based financing?

## Beyond local level

- Grants: nice but hardly on scale & ownership issues
- Loans (project or on-budget): priority & capacity
- Vulnerability reduction with (re)insurance - State or individual level; opportunity cost?
- Breaking the O&M taboo ?
- Shifting to prevention, leveraging on private – further potential for insurers (K&R model, Predict)
- Intermediate level transfers: Urban to rural as growth redistribution scheme and stabilizer