

**CONVENTION ON CLUSTER MUNITIONS –
INTERSESSIONAL MEETING
16 – 17 MAY**

Agenda item 3e: International Cooperation and Assistance
Monday 16 May 15:00 – 18:00

Last year, the UK commissioned research by Social Finance and HALO Trust to address funding shortfalls in the mine action sector by use of alternative financing models. In November 2021, the UK hosted a workshop in Cambodia to explore the potential of piloting one of these models, and held a virtual follow-up meeting in December. The Ministry of Economy and Finance, the Cambodia Mine Action Authority (CMAA), interested sector Ministries, key donors, and private sector mine clearance organisations attended.

In March 2022, the UK hosted a Wilton Park event where we brought together representatives from the mine action community, and innovative finance and development experts. The meeting exposed latest thinking on innovative finance across the development landscape to the mine action sector, and further explored how the different models could be applied to mine action. The conference deepened our understanding of the contexts in which it might be appropriate to use an innovative finance mechanism within the context of mine action. We are very grateful to all participants – both virtual and physical – a number of whom are attending this conference, for all their inputs and insights, and, perhaps most importantly, their challenge.

Now, a few personal reflections on the Conference. For me, the Conference confirmed the potential for innovative finance models to bring in additional funding to mine action and to enhance efficiency and impact. Linking such financing models to the country's development plans, could, if done in an appropriate way, also potentially bring additional investment. However, innovative financing models will not always be needed or desirable. These models have high set-up and administrative costs, so there needs to be a real, identifiable benefit to structuring it that way. Just like with traditional mine action, new financing models will also need to follow a people-centred approach, so as to do no harm and leave no one behind.

So what next? Currently, the UK sees the impact bond model, a form of outcomes finance, as having the most to offer the mine action sector, in more stable contexts. Once the UK's budget is confirmed, we intend to prioritise commissioning one or more feasibility studies for mine action impact bonds. We would like to include a feasibility study in Cambodia, building on our previous innovative finance discussions there.

We are very keen to adopt a collaborative approach, and would like to extend an invitation to other donors and other interested parties to partner with us on developing the feasibility studies, with a view subsequently to developing and implementing one or more pilot projects. Subject to the availability of funding, we are also open to commissioning further research on other innovative finance options.

A detailed Report of the Wilton Park conference has now been published, and was circulated to delegates last week. You may also be interested in a video that we made where some of the participants in the Conference spoke about why innovative

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finance was important them. You can see the video on Wilton Park's YouTube channel.