Coalition of Finance Ministers for Climate Action  
WB/IMF Spring meetings. 13 April 2019  

Background:  

At the 2018 WBG/IMF Annual Meetings in Bali, governments from 39 countries came together to discuss the role that Finance Ministers/Ministries play in driving climate action, and what could be done to strengthen these efforts. Several governments expressed strong support for the development of a Coalition of Finance Ministers that would promote domestic and global action focused on climate.

In December (Katowice), Minister Orpo from Finland agreed to work with Minister Larrain from Chile to co-lead the work on the Coalition by inviting other governments to meet to discuss how the Coalition should be structured and what it should focus on over the next 1-2 years.

The Sherpa meeting in Helsinki (February 2019) focused on the drafting of key documents to guide the Coalition, including a set of common principles on the use of fiscal policy and public finance to support climate action.

Attached Documents:  
- Helsinki Principles  
- Governance Note on FM Coalition

Launch of The Coalition of Finance Ministers for Climate Action  

The World Bank hosted the launch of the Coalition of Finance Ministers for Climate Action on Saturday, April 13, 2019, from 12:30-2:00 pm, during the 2019 WB/IMF Spring Meetings in Washington, D.C.¹

The newly formed Coalition aims to become a platform to promote fiscal policies, mobilization of financial resources to climate mitigation and adaptation, and best practices that can address climate change and to harness the opportunities of a resilient, low-carbon economy, in line with the Paris Agreement.

- 22 finance ministers joined the coalition so far.

¹ A reception on the occasion of the launch of the “Coalition of Finance Ministers for Climate Action”. took place after the technical meeting (Friday, April 12, from 5:30-6:30 pm) at the Delegation of the European Union to the United States. Welcoming remarks were be given amongst others by H.E. Felipe Larrain Bascuñán, Minister of Finance of Chile, Mr. Valdis Dombrovskis, European Commission Vice-President for the Euro and Social Dialogue, and Prof. Jeffrey Sachs, Director of the Center for Sustainable Development at Columbia University.
The Helsinki Principles:

The Helsinki Principles guide the Coalition’s work.

1. Align our policies and practices with the Paris Agreement commitments;
2. Share our experience and expertise with each other in order to provide mutual encouragement and promote collective understanding of policies and practices for climate action;
3. Work towards measures that result in effective carbon pricing;
4. Take climate change into account in macroeconomic policy, fiscal planning, budgeting, public investment management, and procurement practices;
5. Mobilize private sources of climate finance by facilitating investments and the development of a financial sector which support climate mitigation and adaptation;
6. Engage actively in the domestic preparation and implementation of Nationally Determined Contributions (NDCs) submitted under the Paris Agreement.

- Each Principle is led by one country.
- Work program is led by individual ministers/countries.
- Work program should be valid for a broad array of country types
- 6 Workshops (1 per principle): Workshop will be lead by one or more champions.

Coalition Governance

Sherpas:
- **Chile**: Lorena Palomo, Carmen García
- **Finland**: Pekka Moren

Work of Sherpa’s during the year is aimed so the MoF can make commitments during the meeting. Coalition meetings will be held during WB spring and annual meetings.

Leaders:
- **Chile**: Minister Larrarin
- **Finland**: Minister Orpo

Secretariat: Wei-Jen Leow <wleow@worldbank.org>, CAPE Secretariat <capesecretariat@worldbank.org>

Cooperation with the Coalition:

The Coalition aims to rely, as much as possible, on partnerships in order to take advantage of best possible expertise and at the same time avoid duplication of work.
A technical meeting on Friday, April 12, 2019, 2:00-4:00 pm, at the World Bank, to discuss how institutional partners can provide technical support to the Coalition. The aim of the meeting was to facilitate the preparation of the Coalition’s work plan and activities in 2019, and beyond.

Technical Support could include hosting or participating in technical meetings to discuss the implementation of the ‘Helsinki Principles’, Coalition action plan, peer-exchanges, workshops analytical inputs (e.g. policy options)

**Institutional Partners present at the meeting:** EBRD, EIB, IADB, NDB, IMF, UNEP, UNDP, UNFCCC, NDCPartnership, OECD and EU Commission
**Coalition Timeline***:

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<th>February - March</th>
<th>April</th>
<th>May - August</th>
<th>September</th>
<th>October - December</th>
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<td>Distribution of post-Helsinki materials: Meeting summary, fiscal principles, supporting material. Endorsement of fiscal principles by FMs of Finland and Chile. Outreach by Finland &amp; Chile to other FMs, e.g., Helsinki, Bali participants</td>
<td>WB-IMF Spring Meetings Scheduled appearance of Coalition Opportunity for public launch, recruit more FMs, pledge of support</td>
<td>Prepare and disseminate information on the “Helsinki Principles”. Meeting or communication to update countries on Coalition status</td>
<td>UNSG Climate Summit (Sept 23) Scheduled appearance of Coalition Opportunity to announce broadening of membership and adoption of principles. Institutions (UN, OECD, IMF, etc.) could issue statements of support</td>
<td>Meeting or communication to review progress, check directions, take further decisions, etc.</td>
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<td>June Abu Dhabi: More clarity in terms of a work programme/calendar and how different partners are involved -2 day workshop -High profile event – (high level = access) -Information to be presented to SG to make final call. -4/6 big ideas to be presented at the summit – transformative (ambition package – coherent narrative)</td>
<td>Sept 24-27 – Integration of coalition into other activities aside from summit</td>
<td>Opportunities to meet: • WB-IMF Annual Meeting • Regional meetings, e.g. APEC • COP25</td>
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<td>Chile: Looking at how COP itself can be used to promote this kind of conversations APEC meeting (November in Chile) Investor forum (November – Heads of state).</td>
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| WB CEO issues invitation to FMs for Spring Meeting | Recruitment of countries: - Secretariat and institutional partners inform countries about Coalition and principles - Secretariat to support several lead countries in recruiting target countries e.g. through EDs offices and events like ONE Planet summit | Preparation of Coalition action plan (ongoing): - Secretariat to receive and compile related activities of other development institutions and bilateral agencies. - Propose a format for discussing and agreeing on governance. - Setting up mechanism to receive funding support to Coalition, if any. Technical work program of WB and other development institutions/bilaterals will be ongoing. |

*Approximated timeline based on conversations*
Coalition Next Steps:

- Sending survey to countries on where they are on each of the principles
- Working group sherpa meeting (TBD)

About APEC Forum

The Asia-Pacific Economic Cooperation (APEC) is a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. APEC's 21 members aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.

Chile as host economy of APEC 2019 has chosen four priority areas to achieve concrete deliverables in 2019: Digital Society, Integration 4.0, Women, SMES and Inclusive Growth, Sustainable Growth (Protecting our oceans and marine ecosystem, Combating illegal fishing, Prevention and reduction of Marine Debris, Sustainable energy: modernization for a better quality of life and Smart Cities)

APEC Agenda

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<th>Event</th>
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<td>Concluding Senior Officials’ Meeting (CSOM)</td>
<td>11 - 12 November 2019</td>
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<td>APEC Ministerial Meeting (AMM)</td>
<td>13 - 14 November 2019</td>
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<td>SMEs’ Summit</td>
<td>14 November 2019</td>
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<td>APEC CEO Summit</td>
<td>14 - 16 November 2019</td>
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<td>APEC Business Advisory Council (ABAC) Dialogue</td>
<td>16 November 2019</td>
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<td>with APEC Economic Leaders</td>
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<td>APEC Economic Leaders’ Meeting (AELM)</td>
<td>16 - 17 November 2019</td>
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UNEP’s Next Steps

- Mapout and send WB Secretariat potential areas of collaboration under each principle
- Follow up with Secretariat on which countries are hosting which workshops
- Chile wants to champion principle 5: “Mobilize private sources of climate finance by facilitating investments and the development of a financial sector which support climate mitigation and adaptation”. Potential opportunity to engage through FC4S.
- WB Secretariat asked institutional partners if there was any research being done on how to integrating physical climate models into macroeconomic models.