

# Coalition of Finance Ministers for Climate Action

Informal Update  
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**CLIMATE  
SUMMIT 2019**



**A RACE WE CAN WIN**

**Climate change is a  
threat to the twin goals.**

*“...investing in climate and the environment is a key step in reducing extreme poverty and boosting shared prosperity.”*

**David Malpass, President of the  
World Bank Group  
Blog, September 20, 2019**

“

# TIME

RISING SEAS.  
FLEEING RESIDENTS.  
DISAPPEARING VILLAGES.

## OUR SINKING PLANET

by  
JUSTIN WORLAND

**U.N. Secretary-General António Guterres**  
off the coast of Tuvalu, one of the world's most vulnerable countries. Facing a rise in global sea levels, island nations are leading the fight against climate change

“We need a new framework that integrates climate and disaster risk in all aspects of finance, planning and budgeting.”

UNSG António Guterres at Climate Finance Ministerial Meeting Annual Meetings 2018, Bali

## Recap 1: Coalition of Finance Ministers for Climate Action

- Conceived at WB/IMF Annual Meetings 2018.
- 19 FM Sherpas met in Helsinki in February 2019, drafted *Helsinki Principles*.
- Launched at the 2019 WB/IMF Spring Meetings in Washington, D.C.
  - 52 countries participated, 40+ FMs or Vice Ministers, Deputy SG UN, IMF, and other agencies.
- Finance Ministers to take collective action to address climate change.
- Members endorse the *Helsinki Principles*, covering fiscal policy, public financial management, finance, and economic policy.
- Share best practices and collaborate.



# Recap 2: Governance Structure

## Coalition Co-chairs

- Two coalition members serving for a term of 24 months, on a rotating basis, who will host and convene Coalition meetings jointly with the Secretariat.
- Chairing of meetings, representing and developing Coalition's work program and strategy, working closely with the Secretariat.

## Secretariat

- Manages day-to-day operations, convenes meetings and workshops (with co-chairs); prepares the work program, financial plan, and annual reports; and coordinates communications. The Secretariat is hosted at the World Bank.

## Members

- Actively engaging by sharing experiences, learning and contributing in various activities to support national and common goals on Climate Change.



# Recap 3: The *Helsinki Principles*

**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.

# Summary of Post Launch Activities

**Membership has grown to 58 Finance Ministers since the launch in April 2019.**

Argentina	Austria	Bangladesh	Canada	Chile	Colombia
Costa Rica	Cote D'Ivoire	Cyprus	Denmark	Dominican Republic	Ecuador
Equatorial Guinea	Fiji	Finland	France	Germany	Ghana
Guatemala	Iceland	Indonesia	Ireland	Italy	Jamaica
Kenya	Latvia	Luxembourg	Marshall Islands	Mexico	Monaco
Netherlands	Nigeria	Norway	Paraguay	Philippines	Poland
Portugal	Spain	Sri Lanka	Sweden	Uganda	United Kingdom

## **Milestones since the launch of the Coalition:**

- **June 2019:** Sherpa meeting - Santiago Action Plan (draft).
- **July – Sep 2019:** Work plan discussions with Members & Institutions.
- **Oct – Dec 2019:** Finalization and execution of Santiago Action Plan.

## The Santiago Action Plan is to be a comprehensive roadmap to implement the six *Helsinki Principles*



**The approach of the roadmap aims to:**

- 1) Use examples of leading ‘champions’ to inspire action and test new solutions;**
- 2) Share expertise to promote collective understanding of policies and practices to implement the *Helsinki Principles*.**

**Aligned with the six *Helsinki Principles*, coalition members are elaborating commitments and starting to make progress.**



# WB-IMF Annual Meetings – Meeting of Coalition of Finance Ministers, Oct 19, 2019

## Opening Segment:

- Axel van Trotsenburg (Acting CEO)
- António Guterres (Secretary-General of the United Nations)
- Minister Felipe Larrain (Minister of Finance, Chile)

## Moderated discussion:

- Ministerial remarks will showcase momentum around the key principles
- Central Banks and financial market regulators [TBC] Yi Gang, People's Bank of China, Mark Carney (Bank of England), Frank Elderson (De Nederlandsche Bank).

## Closing remarks:

- Nick Stern (Co-Chair, the Global Commission on the Economy and Climate)
- H.E. Mika Lintila (Minister of Finance, Finland)
- Angel Gurría Secretary General, OECD.
- IMF MD Kristalina Georgieva.



Please refer questions to CAPE Secretariat <[capesecretariat@worldbank.org](mailto:capesecretariat@worldbank.org)>

# Principle 1: Align with the Paris Agreement (Champion: Finland)

## Actions:

- Identify pathways to a low-carbon and climate resilient economy by mid-century.
- Prepare long-term strategies to achieve the chosen pathway.

## Progress:

- Several countries have developed long-term transition strategies that will be shared and show-cased through the Coalition.



### Costa Rica – National Decarbonization Plan 2018-2050



### Indonesia – Pathways to Deep Decarbonisation by 2050



### Mexico – Climate Change Mid-Century Strategy



### Fiji – Low Emission Development Strategy 2018-2050



### EU – Going Climate-Neutral by 2050



## Principle 2: Share Experience and Expertise (Champions: TBD)

### Actions:

- Review role of finance ministries roles in climate policy.
- Recommend good/best practices.

### Progress:

- Members have joined working groups arranged under the *Helsinki Principles* to share their experience and contribute expertise.

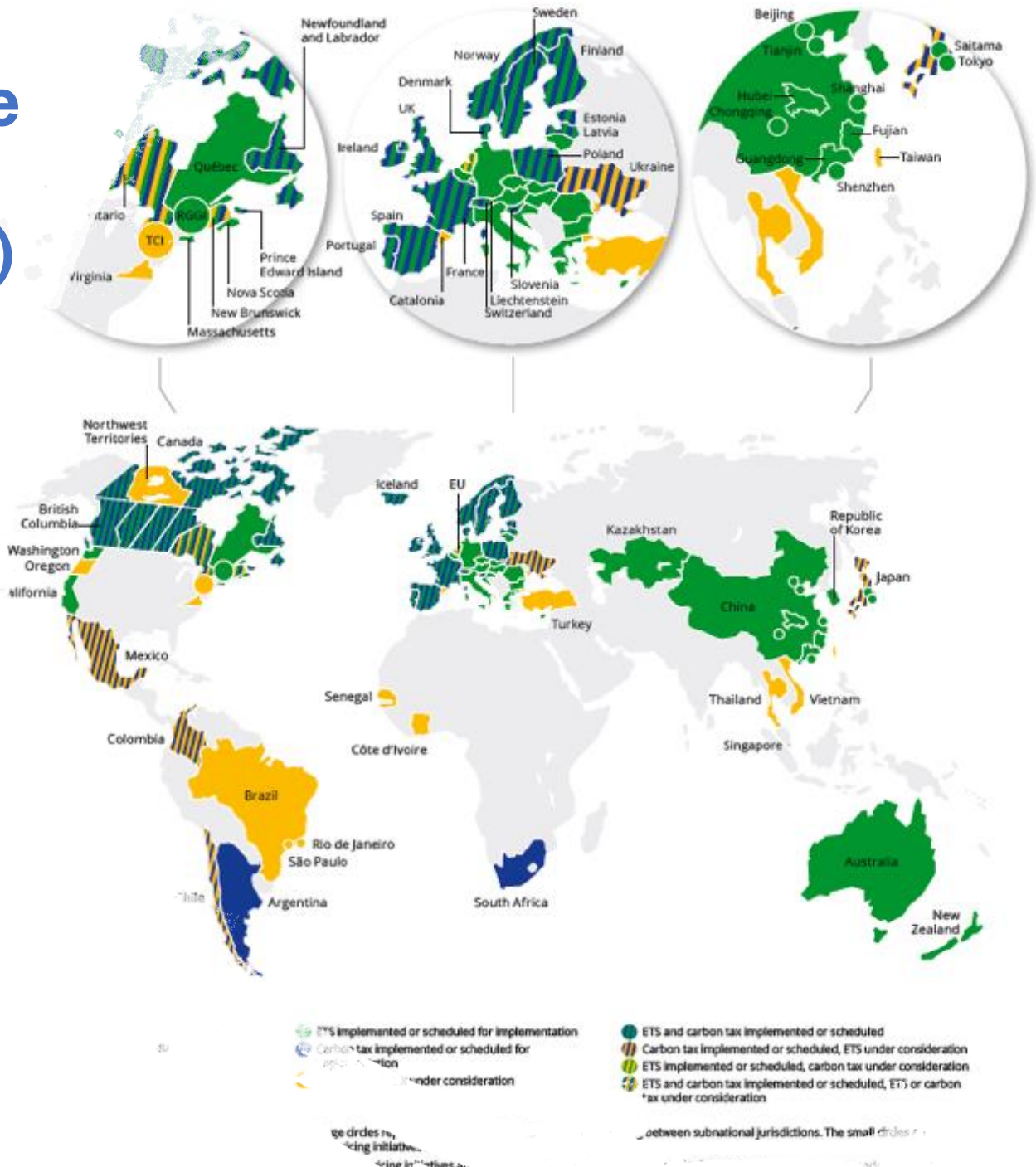
# Principle 3: Work Towards Effective Carbon Pricing (Champions: Ecuador and Sweden)

## Actions:

- Identify technical requirements, economic impacts, transition challenges and political economy and competitiveness concerns of introducing carbon pricing.
- Support countries willing to introduce carbon pricing.

## Progress:

- Sweden is hosting a workshop on Carbon Taxation with representatives from 25 countries (October 3-4, 2019 in Stockholm).
- The Carbon Pricing Survey was launched.



## Principle 4: Take Climate Change into Account in Macro, Fiscal, Budgeting & Public Investment (Champions: Finland, Philippines)



### Actions:

- Develop tools to address knowledge and expertise gaps.
- Facilitate the adoption of climate-smart budgeting, procurement, public investment risk screening.
- Support countries in adaptation and resilience actions.

### Progress:

- Ideas and tools are being developed to help align expenditure and revenue with climate goals.
- 28 countries are tracking their climate expenditures compared to just two in 2011 (UNDP compilation).
- Chile has begun budgeting for the costs of fighting climate change.

# Principle 6: Engage in NDCs (Champions: TBD)



NDCS



**Paris Agreement states that parties shall submit NDCs every 5 years (December 2019 to March 2020)**

## **Actions:**

- Prepare guidelines and requirements for Finance Ministries and sector ministries to prepare and implement NDCs.
- Establish a working group of Finance Ministry technical staff to advise other Finance Ministries.
- Disseminate good practices and tools, such as the MAC for NDC measures, and institutional coordination models.

## **Principle 5: Mobilize Private Finance (Champions: Chile, France, Germany, Ireland, Luxembourg, Netherlands, and UK)**

### **Actions:**

- Create national roadmaps for greening the financial system.
- Support regulatory initiatives – including on reporting + disclosure
- Incentive + monitor targets from financial institutions
- Promote sustainable finance, through green bonds etc.
- Work on adaption & cost of financing

### **Progress:**

- Chile issued first green bond in the Americas (June, 2019); Green Bond Framework.
- Netherlands financial sector climate goal commitment signed by 50 financial institutions (July 2019).
- UK government published its Green Finance Strategy (July 2019).



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Resilient nations.



United Nations  
Environment Programme



# Thank You



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GREEN  
FISCAL POLICY  
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