

Coalition of Finance Ministers for Climate Action
Meeting of the Sherpas
June 4-5, 2019. Santiago, Chile

The Coalition was successfully launched on April 13, 2019 at the WBG-IMF Spring Meetings. Over fifty finance ministers and senior officials were in attendance. To date, twenty-nine Finance Ministers have endorsed its principles and become Members of the Coalition of Finance Ministers for Climate Action. The basic framework for the Coalition is already in place: a membership body; two co-chairs; support of institutional partners; a secretariat; and, most importantly, the Helsinki Principles.

The objective of the Santiago meeting is to assemble a first draft of the Coalition Action Plan. The aspiration is that the plan should reflect ambition on the part of Finance Ministries to eventually fulfil the Helsinki Principles through policies and actions. This could take the form of identifying policy areas to work on, outcomes to achieve in the next 12 and 24 months, and how they can be achieved. The process of drafting the Action Plan will reflect the voluntary and Member-driven nature of the Coalition: Members decide on the content of the plan, taking into account national, regional and global policy aspects, whilst the secretariat plays the facilitative role.

Surveys have been distributed to Member and Observer countries to gather information on the activities they currently have underway and priorities with respect to some of the Helsinki Principles. Institutional partners will play a key role. They have also been asked to share information on capacity building and research work programs that align with the Helsinki Principles and support the work of the Coalition.

To ensure a productive meeting, all participants are encouraged to come prepared to discuss their priorities and plans with respect to each of the Principles. To that end, it may be helpful to consider these guiding questions and to consult internally within your ministry ahead of the meeting:

- **Principle 1** refers to alignment with the Paris Agreement's long term objectives, which underpins all the other Helsinki Principles. Is progress on the other principles sufficient to achieve this Principle? If not, what other criteria is needed to measure alignment?
- **Principle 2** encourages information sharing within the Coalition to promote collective understanding of climate action. We will dedicate time at this meeting to share about the organization of climate action in Finance Ministries under the overall framework of climate policies. Questions to think about are: what organizational arrangements work best for formulating and implementing climate policies within the overall economic policy context? What challenges do Ministries face in pursuing climate policies? Can good practices be identified within Coalition Members? Under Principle 2, the Coalition should give preference to knowledge sharing formats that minimize our carbon footprint and costs. To minimize travel, can we take advantage of Finance Ministry meetings convened under different auspices (besides WB Spring and Annual Meetings) to conduct Coalition business? Can this be complemented by virtual meetings?
- With respect to **Principle 3**, over fifty national and sub-national jurisdictions already apply a carbon price at some level. Key questions in the context of the Action Plan are: which actions are currently under consideration in your country? What is holding back countries from achieving further emission cuts? What are the constraints to be immediately addressed, and what kind of targets should the Coalition aim for in

the next two years? What prevents other countries from taking the first step? What coordinated action among Coalition Members should be taken? What additional analytical work might be needed, and who should perform it?

- **Principle 4** requires the integration of climate change considerations into macro-fiscal planning, budgeting, investment and public spending. Many countries have already made progress in identifying “green” climate expenditures in their budgets. Where should we focus our attention: macro-fiscal modelling? tracking “green” and “brown” expenditures? public investment management? “green” procurement? Other areas? What additional analytical work might be needed, and who should perform it?
- **Principle 5** recognizes that there is a strong push by Central Banks and prudential regulators on disclosure and reporting of climate risk exposure by financial sector institutions. What is the best way for Finance Ministries to engage with and support these efforts? What other efforts are currently underway to mobilize private financing? How can governments best communicate their climate policies to investors through their own sovereign issuance? Can Multilateral Financial Institutions step up efforts in this area?
- **Principle 6:** In several countries, Finance Ministries are leading the coordination mechanisms for the preparation and implementation of NDCs, but their role is often related to donor coordination rather than the typical policy functions of Finance Ministries. Should Members seek more systematic engagement through their expertise, for example, by framing NDCs within the macroeconomic and fiscal frameworks, setting requirements for economic cost-benefit assessments and climate budgeting? What kind of goals should the Coalition set for itself under Principle 6?

Meeting Agenda

Venue: Hotel Cumbres Vitacura (Room Alonso B)

Day 1: June 4 (Tuesday)	
Time	Agenda Item
08:15 – 08:30	Registration
08:30 – 09:20	<p>Opening Session</p> <p>08:30 – 08:40 Welcome and keynote address by co-chair Minister Felipe Larrain</p> <p>08:40 – 08:45 Setting the scene</p> <p>Juan Araya (Director, Ministry of Finance, Chile);</p> <p>Pekka Morén (Director, Ministry of Finance, Finland)</p> <p>08:45 – 08:55 Review of Coalition organization and roles (Chile, Finland)</p> <p>08:55 – 09:20 Open session for members to express views</p>
09:20 – 09:25	Remarks by secretariat (WB)
09:25 – 11:10	<p>Principle 3: Carbon Pricing</p> <p>09:25 – 09:30 Introduction</p> <p>Miria Pigato (Lead Economist, WB)</p> <p>09:30 – 10:00 UN Handbook on carbon taxation: about the handbook; examples; Q&A</p> <p>Rodrigo Pizarro (consultant)</p> <p>10:00 – 10:30 Ecuador: Reforming fossil fuel subsidies</p> <p>Paula Suarez Buitron (Ministry of Finance, Ecuador)</p> <p>10:30-10:50 Sweden: Principle 3 Action Plan</p> <p>Kristina Åkesson (Senior Advisor, Ministry of Finance, Sweden)</p> <p>10:50 – 11:10: Q&A and Elements for the Action Plan (Sweden, Ecuador, WB)</p>
11:10 – 11:20	Break
11:20 – 13:00	<p>Principle 4: Macroeconomic/Budgeting/Investment & Spending</p> <p>11:20 – 11:35 Introduction to Principle 4; survey results</p> <p>Adrian Fozzard (Practice Manager, WB), Tom Beloe (Advisor, UNDP)</p> <p>11:35 – 12:00 Philippines: towards a whole of government approach</p> <p>Paola Alvarez (Assistant Secretary, Department of Finance, Philippines)</p> <p>12:00 – 12:15 Iceland: integrating climate change in the budget process</p> <p>Svanhildur Holm Valsdottir (Advisor, Ministry of Finance and Economy, Iceland)</p> <p>12:15 – 12:30 Finland: Environmentally harmful subsidies in budget reporting</p> <p>Eeli Jaakkola (Advisor, Ministry of Finance, Finland)</p> <p>12:30 – 13:00 Q&A and Elements for the Action Plan (UNDP, WB, Finland, Philippines)</p>
13:00 – 14:00	Lunch
14:00 – 16:00	<p>Principle 5: Private finance mobilization</p> <p>14.00 – 14.10 Introduction to Principle 5; survey results</p> <p>Adrien Zakhartchouk (Head of Climate, Environment, Agriculture; Treasury of France)</p> <p>Ekaterina Gratcheva (Lead Financial Officer, WB)</p> <p>14.10 – 14.40 Green and ESG Sovereign Bond Issuance Panel</p>

	<p>France (Adrien Zakhartchouk), Netherlands (Lisette Florence Hélène Steins, Ministry of Finance), Poland (Marcin Jacek Kowalczyk, Chief Specialist, Ministry of Finance), Chile (Patricio Sepúlveda, Head of Debt Office, Ministry of Finance)</p> <p>14:40 - 14:55 Q&A</p> <p>14.55 - 15.15 Financial Sector Commitment Lisette Florence Hélène Steins (Ministry of Finance, Netherlands)</p> <p>15.15 - 15.55 Collaboration with Partners/Initiatives – (moderated by Chile) UN Net-Zero Asset Owner Alliance; UNEP FI (Carolina López); Taskforce for Climate-Related Financial Disclosures (Mara Childress); Santiago Stock Exchange (Nicolás Almazan).</p> <p>15:55 – 16:00 Q&A and elements for the Action Plan (Chile, France, WB)</p>
16:00 – 16:15	Break
16:15 – 17:30	<p>Principle 6: Engaging with NDCs</p> <p>16.15 – 16.25 Introduction to Principle 6; survey results – Ana Bucher (Senior Climate Change Specialist, WB)</p> <p>16.25 – 16.35 Dominican Republic – Delio Rincón Ozuna (Advisor, Ministry of Finance)</p> <p>16.35 - 16.45 Colombia – Laura Marcela Ruiz Daza (Advisor, Ministry of Finance)</p> <p>16.45 – 16.55 NDC Partnership - Cayetano Casado (LAC Regional Coordinator, NDCP)</p> <p>16.55-17.05 NDC Support Program- Gianluca Merlo (LAC Regional Coordinator, UNDP)</p> <p>17.05 – 17.30 Q&A and elements for the Action Plan Marcelo Mena (Practice Manager, WB) and Ana Bucher</p>
17:30 – 18:00	<p>17:30 – 17:45 Principles 1 & 2: Knowledge sharing “How Finance Ministries organize for climate action” Meg Nicolaysen (Head of Energy and Climate Change, HM Treasury, UK) Pekka Morén (Director, Ministry of Finance, Finland)</p> <p>17:45 – 17:50 Virtual formats for Coalition work (Weijen Leow, CAPE Program, WB)</p> <p>17:50 – 18:00 Open discussion on approach to Principles 1 & 2 (Finland, Chile, WB)</p>
18:00 – 18:15	Other questions and sum up (Chile, Finland, WB)
Day 2: June 5 (Wednesday)	
Time	Agenda Item
08:30 – 12:30	<p>Working on the Action Plan</p> <p>08:30 – 09:00 Overview of institution survey (WB); comments from institutions (3-5 min each)</p> <p>09:00 – 09:15 Recap on role of members, champions, institutions (Finland, Chile)</p> <p>09:15 – 10:00 Elements of Action Plan</p> <p>10:00 – 10:15 Break</p> <p>10:15 - 12:30 Discussion of draft Action Plan, next steps (Chile, Finland, WB)</p> <p>12:30 Close of meeting</p>
13:00 – 17:30	Optional site visit. Transport and lunch included

