

4.11.2019

**Coalition of Finance Ministers for Climate Action
Workshop on Carbon Taxation, Stockholm 3-4 October, 2019
Follow-up letter to members**

Dear Coalition Sherpa-Members and Partners,

The Swedish Ministry of Finance and the Secretariat of the Coalition of Finance Ministers organized in Stockholm a high-quality event on carbon taxation, under Helsinki Principle 3 (“Work towards measures that result in effective carbon pricing”). Our Swedish colleagues put together an excellent event, in co-operation the Partner Institutions. With the contribution of many speakers and moderators, and participants from 26 countries, the event turned out very useful experience for the Coalition (see the list of speakers and participants).

In follow-up to the event, co-chairs wish to convey to all Coalition Sherpas and Partners some operational conclusions from the workshop. We feel this important to the benefit of those Members not present and to facilitate follow-up discussions at the upcoming meetings. The main experiences and follow-up conclusions from the Workshop can be summarised as follows:

- 1) **SHARING OF EXPERIENCES ADDS VALUE:** The work of Finance Ministers in designing and implementing measures at National and Regional levels, as well as related challenges and practicalities, were discussed. The workshop allowed valuable sharing of experiences from perspectives of different policy challenges in Member Countries. Most if the material is publicly available on the Coalition’s web site: https://www.cape4financeministry.org/coalition_of_finance_ministers
- 2) **STOCK-TAKE ON PLANS AND ACTIONS:** Ahead of the Workshop, the Secretariat distributed on 2 October a questionnaire to all Members (survey). The survey aims at providing understanding of policy preparations and challenges to guide the work. The survey is well designed and easy to respond. The questionnaire is accessible from: <https://docs.google.com/forms/d/e/1FAIpQLSf9gdv2b5-OrMPZFtiPkBf9E5aYn5CggB5xp07F1lqHrqe2Ew/viewform>. For enquiries and assistance, please contact the secretariat.
- 3) **TECHNICAL SUPPORT IS AVAILABLE:** Technical support from institutions is very likely to be needed when Members are designing carbon pricing policies. The WB and the IMF will be able to provide technical support on the design of policy measures on formal request by Members. Also, further exchanges of experiences between Members could be organise on bilateral basis. Members may contact the Secretariat for details on how to make requests for technical assistance.
- 4) **PARTICIPATION IN THE WORK STREAMS.** Learning on policy designs take place through active participation. Coalition Members are invited to engage in the different workstreams. Especially, Members who are considering or designing carbon pricing measures are invited to join Sweden and Ecuador. The support from institutional partners will also be crucial. This organisation of workstreams

will be recalled in the forthcoming meeting in London. Members may also contact the Co-Chairs and the Secretariat to indicate their preferred workstream(s).

- 5) **POLICY SUMMARY NOTE:** The workshop was policy relevant with important lessons on packaging various components, such as overall tax design, revenue use, public acceptance, communication aspects and competitiveness issues, while always bearing in mind country-specific circumstances. To ensure that the workshops contribute to concrete policy goals and the follow-up work, the main outcomes on the workshop are summarized in writing in a 'Policy Summary Note'. Find attached a note that has been prepared by the Secretariat and institutional Partners on this workshop.
- 6) **NEXT STEPS AND ACTIONS:** The outcome of the workshop, with further feedback from Ministers meeting on 19 October, will be further reviewed at the forthcoming Sherpa meeting in London. In preparation for the Ministerial meeting in April 2020, we expect to organize an additional workshop on other elements of carbon pricing, with the help of Partner Institutions (the WB, IMF, and OECD). In early 2020, we plan to organize a workshop that will include discussion of fossil fuel subsidies, supply-side restrictions such as bans, as well as the different challenges facing developing and developed countries.
- 7) **POTENTIAL NEW MEMBERS:** a number of new countries took part in the workshop; including representatives from South-Africa, Ethiopia, Hungary, Slovak Republic and Estonia and others. Some of these have joined the Coalition since the workshop. Workshop therefore was a useful way to welcome new countries to join the Coalition.

Overall, the event also confirmed that a workshop combining concrete experiences of Members and top experts, is a productive working method. Similar events will be organised based on this positive experience, as we proceed with our action plan.

Best regards,

Pekka Morén

Lorena Palomo

Co-Chairs of Sherpas

The Coalition of Finance Ministers for Climate Action