Finance Minister Coalition for Climate Action

World Bank Secretariat
(updated January 2019)

FISCAL POLICY FOR LOW-CARBON & RESILIENT DEVELOPMENT
Inspiration

“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

“The long run story is crystal clear. Any attempt at high carbon growth will self-destruct.” – Dr. Lord Nicholas Stern of the London School of Economics.
Objective

- Build on discussion at WB/IMF Climate Finance Ministerial in Bali
- Form a **coalition of Finance Ministers** to:
  - facilitate exchange of experience and insights on climate-fiscal policies, and
  - serve as a forum to promote common standards and principles.
- Agenda and actions to be determined and led by Ministers acting in a consensus manner
- Supported by a technical secretariat at the WB, by building on the Climate Action Peer Exchange (CAPE) initiative and other institutional and academic experts
## Finance Minister Coalition for Climate Action

**Proposed timeline and actions (draft)**

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<th>DEC 2018 – JAN 2019</th>
<th>APR 2019</th>
<th>SEP 2019</th>
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<td><strong>1. Recruit Member Countries</strong></td>
<td><strong>2. Initial work on Coalition Goals and actions</strong></td>
<td><strong>3. Present Vision and Mobilize Action</strong></td>
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<td>(Done) Lead countries Finland and Chile issue letters of invitation to recruit other Finance Ministers. Countries include Bali participants, e.g. Mexico, and active players like Bangladesh.</td>
<td><strong>February, 21-22 Helsinki:</strong> Sherpa Meeting, co-chaired by Finland and Chile, and Minister Orpo as keynote speaker, attended by other Coalition members. <strong>Deliverable:</strong> A broadly-agreed draft Coalition statement of principles. <strong>Other outputs:</strong> (1) first-cut roadmap for achieving Coalition principles (e.g., topical contributions from members, or regional leads, other technical partners, research needs); (2) initial discussion on coalition “governance” and decision making.</td>
<td><strong>April, Spring Meetings:</strong> Official launch of the Coalition <strong>Outcomes:</strong> Public announcement of Coalition, attended by chairs (probably Chile) and other members (aiming for 15+). Unveil statement of principles as developed in Helsinki, which could include:- (i) environmentally responsible taxation; (ii) climate-informed budgeting and public financial management; (iii) mobilizing the financial sector; (iv) green public procurement; (v) leadership in NDC formulation. <strong>Announce funding support to Coalition. Bank officially appointed as secretariat</strong></td>
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<td><strong>Underway</strong> Planning for technical meeting of (‘sherpas’) in Helsinki</td>
<td>**Bank team to follow up on invitations. New members to Coalition expected by end January. **Coalition members discuss virtually its objectives, statement of Coalition goals.</td>
<td>**April – Aug: Implement priority actions, i.e. disseminating coalition principles &amp; country examples through workshops, publications. **September – UNSG Climate Summit: Announce broadening of Coalition membership; announce updated Coalition principles **Accompanying statements of support from partners - UN agencies, bilateral agencies, IMF/OECD etc. <strong>Garner further financial and technical contributions to support in-country piloting of Coalition principles. Call for more members</strong></td>
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**1. Recruit Member Countries**

- (Done) Lead countries Finland and Chile issue letters of invitation to recruit other Finance Ministers. Countries include Bali participants, e.g. Mexico, and active players like Bangladesh.
- **Underway** Planning for technical meeting of (‘sherpas’) in Helsinki
- Bank team to follow up on invitations. New members to Coalition expected by end January.
- Coalition members discuss virtually its objectives, statement of Coalition goals.

**2. Initial work on Coalition Goals and actions**

- **February, 21-22 Helsinki:** Sherpa Meeting, co-chaired by Finland and Chile, and Minister Orpo as keynote speaker, attended by other Coalition members.
- **Deliverable:** A broadly-agreed draft Coalition statement of principles.
- **Other outputs:** (1) first-cut roadmap for achieving Coalition principles (e.g., topical contributions from members, or regional leads, other technical partners, research needs); (2) initial discussion on coalition “governance” and decision making.

**3. Present Vision and Mobilize Action**

- **April, Spring Meetings:** Official launch of the Coalition
- **Outcomes:** Public announcement of Coalition, attended by chairs (probably Chile) and other members (aiming for 15+). Unveil statement of principles as developed in Helsinki, which could include:- (i) environmentally responsible taxation; (ii) climate-informed budgeting and public financial management; (iii) mobilizing the financial sector; (iv) green public procurement; (v) leadership in NDC formulation.
- **Announce funding support to Coalition. Bank officially appointed as secretariat**

**4. Implement and Extend membership**

- Apr – Aug: Implement priority actions, i.e. disseminating coalition principles & country examples through workshops, publications.
- September – UNSG Climate Summit: Announce broadening of Coalition membership; announce updated Coalition principles
- Accompanying statements of support from partners - UN agencies, bilateral agencies, IMF/OECD etc.
- Garner further financial and technical contributions to support in-country piloting of Coalition principles. Call for more members
Established at COP22, CAPE is a knowledge exchange forum, hosted at the WBG, for finance ministries to discuss common challenges and good practices for developing climate and environmental fiscal policies for NDC implementation. CAPE carried out 5 technical workshops and engaged over 40 finance ministries. CAPE receives funding from the NDC Support Facility, in support of the NDC Partnership.

Technical partners include IMF, Green Fiscal Policy Network (UNEP, GIZ), and local institutes.

Analytical work include:
- Pilot IMF-WB Climate Change Policy Assessment
- MTI Report “Fiscal Policy for Climate and Development”
- Macromodels for Climate & Carbon Tax Effects

In-country support include:
- Uganda Climate Budgeting
- Dominica Fiscal/Macro Risk Resiliency Studies

Internal and external communications
- CAPE Website: www.cape4financeministry.org
- CAPE Secretariat: CapeSecretariat@worldbank.org