

COALITION OF FINANCE AND ECONOMY MINISTERS FOR CLIMATE ACTION
Brief on Organizational Structure

Objective: The *Coalition of Finance and Economy Ministers for Climate Action* (the ‘Coalition’) is a Ministerial-level group supporting the use of fiscal policy and public financial management to take climate through measures which increase mitigation and adaptation.

Membership: Membership to the Coalition is voluntary, requiring a signed from the eligible Minister with their endorsement of the Coalition’s principles.

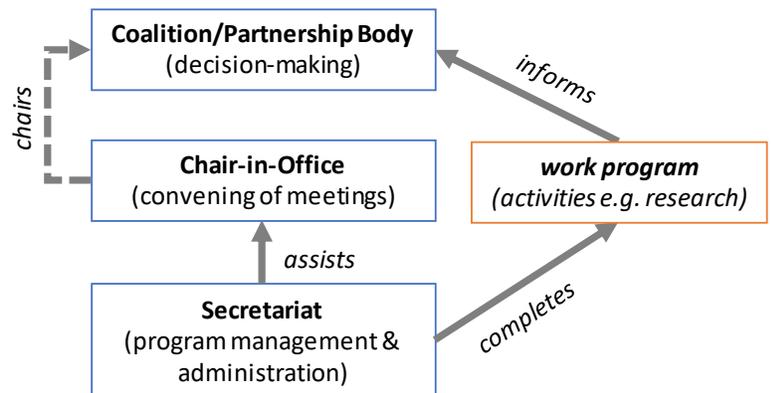
Eligibility: Ministers responsible for Finance, Economy, Planning, or other Ministries responsible for fiscal policy and/or public financial management from any country.

Lessons from the World Bank’s experience of facilitated international partnerships

Participants in a Coalition or Partnership usually comprise Members (e.g. representatives of countries at Ministerial or Deputy-level) and Observers (e.g. international institutions). Based on World Bank experience, minimum components of a governance structure for such a grouping includes (see **Figure 1**):

- **Coalition/Partnership Body** – comprises main Members. Responsibilities could include: overall vision and strategic direction; endorsing the work program and financial plan; reviewing progress on program implementation, and recommendations thereafter; and endorsement of Chair and Members.
- **Chair-in-Office** (aka ‘Co-Chairs’) – one or two of the Members. Hosts and convenes meetings of the main coalition/partnership body. Chair is selected based on consensus for a time-limited tenure (e.g. one or two years) and rotated among Members.
- **Secretariat/management unit** – external body (e.g. international institution) which supports the Chair and helps facilitate the overall process, in addition to completing work program as requested by the Main Coalition and/or Chair.

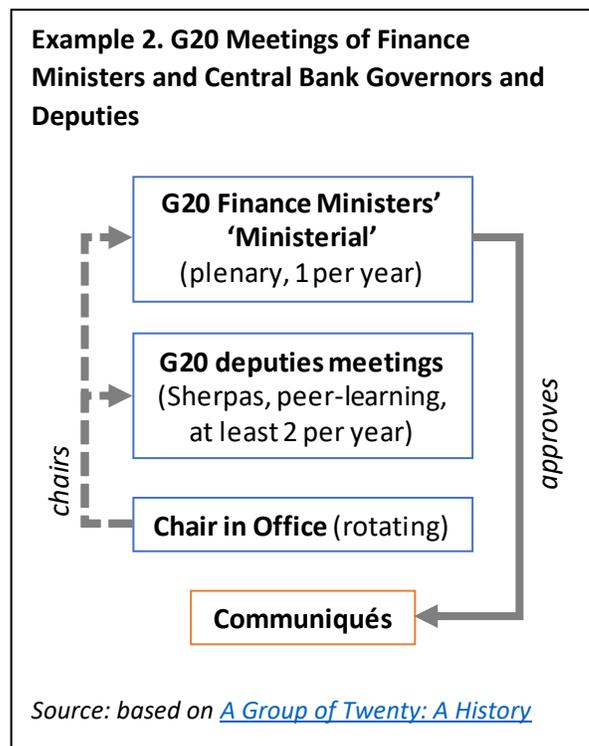
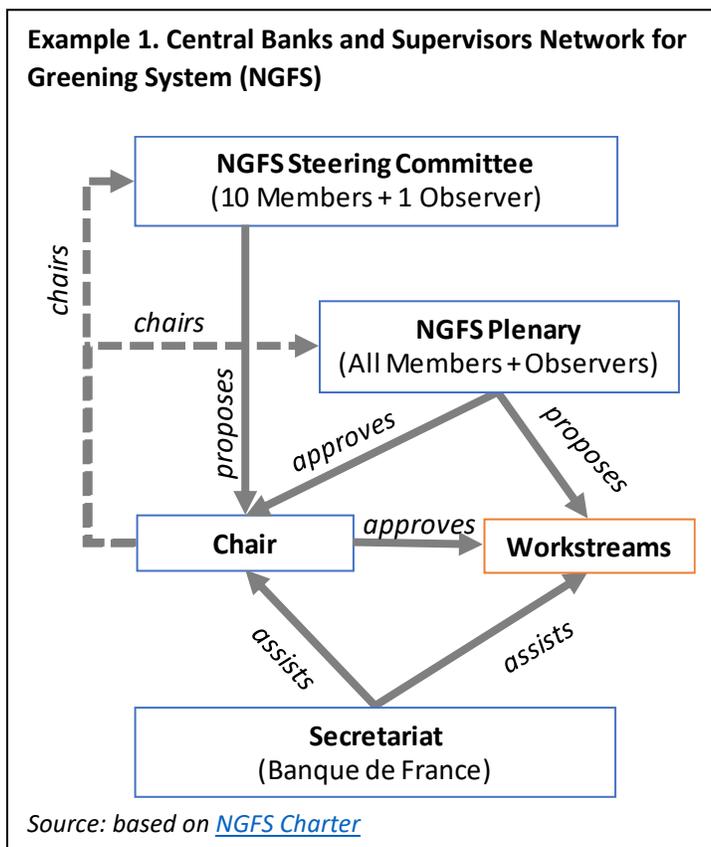
Figure 1. Simplified example of a potential governance structure



In addition, the Main Coalition could be further sub-divided into groups of Ministerial- and Deputy-level Members, comprising the decision-making and working/Sherpa-level functions of the Coalition. Where necessary, there could also be a separate body dealing with financial governance issues (i.e. a trustee). Finally, results of overall meetings could be conveyed through ‘Communiqués’, which are agreed by consensus during Coalition meetings, or through a ‘Chair’s Summary’ which Members have an opportunity to comment on.

Examples of existing international partnership governance structures

Below are two examples of existing governance structures: a more formalized structure for a network of central banks (NGFS – **Example 1**) and a less formalized structure for the G20 Finance Ministers’ Ministerial (**Example 2**). Coalition Members might consider which type of structure they prefer in terms of the level of formality.



Existing structure of the Coalition

The governance structure of the Coalition has not yet been formalized. The current interim arrangement entails two Co-Chairs and a Secretariat supporting the formation of the Coalition:

Current Chairs: Felipe Larrain, Finance Minister of Chile and Petteri Orpo, Finance Minister of Finland

Secretariat: The World Bank currently serves as Secretariat (typical functions described in **Box 2**) to the Coalition. This is part of the WBG President’s offer to support the Coalition at the Finance Ministerial meeting during the 2018 WBG/IMF Annual Meetings in Bali Indonesia.

Box 2. Typical Functions of a 'Partnership Management Unit' or 'Secretariat'

1. Program Management
 - Developing work program
 - Implementation of fund allocation decisions, tracking/supervising activities
 - Managing staff
 - Reporting
2. Interfacing with Partnership Body/Coalition:
 - Planning and executing periodic meetings
 - Facilitating decisions as relevant on strategy and/or allocation process
3. Monitoring and Evaluation and Learning:
 - Undertaking monitoring and evaluation
 - Transmitting 'lessons learned' to inform policymaking among Members and implementation of activities
4. Interfacing with Observers/Partners/Donors/Stakeholders:
 - Funding replenishment
 - Communications and outreach

Points for Discussion:

- As a new body, with its work program still in development, the Coalition may wish to set up only the essential elements. For instance, it could choose to:
 - decide to continue with the existing Chairs (deciding on a term for future Chairs) and Secretariat,
 - decide on the frequency of meetings for: the Ministers meeting and any supporting working-level/Deputy/Sherpa meetings (Note: the Coalition has been invited to the WB-IMF Spring Meetings in April 2019 which could be the next meeting)
 - decide whether the Coalition will request programs of work from Secretariat and Observers
 - decide whether the Coalition will issue Communiqués or a 'Chairs Summary' and, if so, how decision-making would be made (e.g. majority voting, consensus, Chair having final say beyond any red lines)