



VALTIOVARAINMINISTERIÖ
FINANSMINISTERIET
MINISTRY OF FINANCE



INVITATION TO JOIN THE COALITION OF FINANCE MINISTERS FOR CLIMATE ACTION

Honourable colleagues,

In Bali last October, former President Kim of the World Bank Group and Managing Director Lagarde of the International Monetary Fund invited Finance Ministers to consider collective actions to address climate change. In a follow-up meeting, we agreed to take this work forward with support from the World Bank as Secretariat. We are pleased to inform about the outcome of this work. Based on this, we propose to create a 'Coalition of Finance Ministers', a structure for co-operation that will ensure continued engagement to work on concrete actions to address climate change.

Preparations of the Coalition were taken forward at the Sherpa level in Helsinki on 21st and 22nd of February 2019. Representatives from 19 finance ministries attended the meeting from five continents. Presentations were given on areas under Finance Ministers' direct remit, with main focus on the following areas: taxation, fiscal planning, budgeting, public investment, procurement and climate finance. As we propose an open and transparent approach, the outcome of the Sherpas' work is available at the Secretariat web site www.cape4financeministry.org.

We invited the Sherpas to suggest a structure and objectives for the Coalition. Building on the rich discussions and inputs from Helsinki meeting participants, the *Principles of the Coalition of Finance Ministers for Climate Action* were developed. The meeting agreed that an *Explanatory Note* to illustrate the objectives and key policy areas will be prepared. Please find attached the final versions of both documents (Annex 1 & 2).

To begin with, we propose a streamlined governance structure for the Coalition (Annex 3). The main objective is to build, as much as possible, on existing work and efforts. It is also crucial that we avoid overlapping work and focus on policies where concrete results can be achieved. The structure will be updated as the work evolves, where needed.

We, as Co-Chairs, have signed the Principles to underline our political commitment to work actively to tackle climate change nationally and collectively through macroeconomic and fiscal policies.

You may have received a letter from the World Bank inviting you to a launch event of the coalition at the World Bank/IMF Spring Meetings on April 13, 2019. We kindly request that you join us in the fight against climate change and sign the attached endorsement form of the Principles (Annex 4) before or at the Spring Meetings.

Please return the completed form to the Secretariat of the Coalition (capesecretariat@worldbank.org), copying in Carmen García (crgarcia@hacienda.gov.cl) and Eeli Jaakkola (eeli.jaakkola@vm.fi) as representatives of the Co-Chairs. In case you wish to sign up at the WB/IMF Spring Meetings event on April 13, please indicate this to the Secretariat.

We look forward to your positive response.

PETTERI ORPO
Finance Minister of Finland

FÉLIPE LARRAÍN BASCUÑÁN
Finance Minister of Chile

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| Annex 1 | The Principles of the Coalition of Finance Ministers for Climate Action |
| Annex 2 | Explanatory Note to the Coalition Principles |
| Annex 3 | Organization and Governance |
| Annex 4 | Endorsement form |