

ORGANIZATION AND GOVERNANCE

Objective: The *Coalition of Finance Ministers for Climate Action* (the ‘Coalition’) is a Ministerial-level group supporting the use of fiscal policy, public financial management and mobilization of climate finance to promote domestic and global action on climate change. It achieves this by (a) facilitating exchange of experience and insights on relevant policies; and (b) serving as a forum to promote common standards and best practices.

Eligibility: Finance Ministers as defined by the Explanatory Note to the Coalition Principles. The Coalition is targeted at Finance Ministers, given their mandate over fiscal policy and public financial management. As is common in international fora, ‘Ministers of Finance’ broadly refers to ministers leading government departments with responsibility for fiscal policy and public finance. In some countries the portfolio of Finance Ministers may include other functions, e.g. financial regulations, economic affairs, or planning. Reflecting their portfolio, they may be called Ministers of ‘Finance and Economy’, Ministers of ‘Finance and Planning’, or Ministers of ‘Economy’.

Membership: Membership to the Coalition is signified by a signature from the Finance Minister. Members endorse the Coalition’s principles when becoming a member. During the initial establishment of the Coalition, it is proposed that interested countries may attend Coalition meetings as observers for a limited time. As a general rule, Coalition meetings are open only to Coalition members and their deputies (sherpas).

Activities: The Coalition members (Ministers) meet at least once a year, during the WB-IMF Spring Meetings or Annual meetings. Technical level sherpa meetings may range from 2-4 a year, depending on the work program. There is the option to combine the second Ministerial meeting with one of the sherpa meetings if reports or statements are to be released. This can be hosted by the chairs-in-office.

Organizational Structure: A simple organizational structure consisting of members, chairs, and secretariat is deemed adequate for the Coalition to begin its initial activities. Term of duration of co-chairs is 24 months, on a rotating basis. The basic tasks for each group are:

- **Coalition members** – comprises the members, which will be Finance Ministers, with responsibilities to periodically review the Coalition’s overall objective and setup, endorse and contribute to the work program, review progress of the Coalition’s work. Importantly, the Coalition members endorse the co-chairs, and approve reports and statements released by the Coalition.
- **Chairs-in-Office** (or ‘Co-Chairs’) – two members who will host and convene meetings of Coalition members. Co-Chairs make proposals on the organization of the work and represent the Coalition, where necessary.
- **Secretariat** – the World Bank in its role as the Coalition secretariat will support the chairs-in-office, Coalition meetings, and development and review of the work program.

Appropriate further arrangements may be established to steer the work of the Coalition.

Decision making: Where decisions are needed, the Coalition takes decision on a unanimous basis. If full consensus is not achieved, the chairs-in-office may propose a vote and other rules as needed.

The Coalition recognizes the authority of sherpas to act on behalf of the Minister as follows:

Tasks	Authority recognized by the Coalition
Review the Coalition’s overall objective and setup	Members (Ministers) or Deputies (sherpas)
Endorse and contribute to the work program	Members (Ministers) or Deputies (sherpas)
Review progress of the Coalition’s work	Members (Ministers) or Deputies (sherpas)
Endorse the co-chairs and members	Members (Ministers)
Approve reports and statements released by the Coalition	Members (Ministers)

Finances: At present the Coalition does not manage funds that can be allocated to technical assistance or financing for operations, although it may do so in the future. The Coalition is envisioned to be a forum for exchanging experiences. Its only financial obligation presently is to meet the cost of meetings and of the secretariat.

- The cost of the secretariat is borne by the World Bank;
- The Coalition may consider further financing, if needed, to expand activities
- Individual members may also consider financing the travel and subsistence cost of low-income member countries for attending meetings, as well as providing technical assistance.

Work concept: The work of the Coalition centers around the Coalition Principles and implementing policies and practices that support the Principles. Members will voluntarily report their efforts on the Principles, and the secretariat will record the results. The process of self-reporting, documenting of progress over time, and sharing this information across the Coalition, should support countries in making progress. It will also foster an environment of peer learning and comparison, which is important for disseminating knowledge and pushing boundaries. The Coalition may also consider coordinated actions.

Technical Support: The Coalition acts as a platform for finding expertise, and countries requiring technical support for policies can avail to the resources that are brought to the secretariat’s attention. Relevant work of the World Bank, International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), UN Development Program (UNDP), and the NDC Partnership have been compiled into a “Resource Document on Technical Support” for Coalition members.

Partnerships: The Coalition engages with institutions and other relevant partners to avail itself to the best available expertise and competencies as well as to avoid duplication of work.

Public Information and Transparency: All relevant information of the Coalition will be publicly available on the CAPE for Finance Ministry Program website (www.cape4financeministry.org). Information on the sherpa meeting and outcomes is currently located at <https://www.cape4financeministry.org/events/finance-minister-coalition-climate-action-sherpa-meeting>.

Revision of Principles and Governance: Coalition shall review its Principles and governance periodically. This allows the Coalition to evolve over time, and develop its strategy and activities.