Finance Ministers Coalition for Climate Action

Sherpa Meeting
February 21-22, 2019, Helsinki, Finland

Day 2

Action Plan, Timeline, and Governance
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<th>Partners and Institutions</th>
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<td>Timeline after Helsinki</td>
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<td>Governance</td>
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World Bank: Climate Action Peer Exchange (CAPE)

- **Knowledge exchange forum**
  - To discuss common challenges and good practices for developing climate and environmental fiscal policies.
  - Website and quarterly newsletter

- **Technical support with partners**
  - E.g. IMF, Green Fiscal Policy Network (UNEP, GIZ), and local institutes

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

- **In-country support:**
  - Climate Budgeting
  - Fiscal/Macro Risk Resiliency Studies

Relevant upcoming work for 2019
- CAPE will deliver 3-4 technical workshops annually.
- CAPE to support WB country economists in dialogue with Finance Ministries.

CAPE is supported by WB, NDC Support Facility, and the South-South Trust Fund
World Bank: NDC Support facility

• **WB executed multi-donor climate trust fund**
  - Facilitation of implementation of NDCs in support of NDC partnership
  - Also supports CAPE

• **In-country engagement support for**
  - 29 projects in 26 countries
  - Climate relevant advisory and analytics
  - Capacity building
  - Enhanced coordination among actors
  - Private sector investment in climate action
    - e.g. Structuring of public-private projects that support NDC strategies and targets

Relevant upcoming work for 2019
- In-country deep dives in several selected countries
- Emerging lessons learned being compiled, will be shared
- WBG NDC – SDG workshop in preparation
NDC Partnership (www.ndcpartnership.org)

• Coalition of almost 120 countries and institutions sharing a set of guiding principles and working in a coordinated manner to advance and accelerate climate action and sustainable development.

• Country Engagement
  • Covers fiscal/macro policies and projections, the MTEF, and Public Investment Program (PIP).

• Knowledge Resources Learning
  • Increases access to knowledge, tools, data and capacity building resources, and capture and share lessons from the country engagement work.

• Facilitate access to finance
  • Supports countries in facilitating and guiding public and private finance specifically for NDC investments.

Relevant upcoming work for 2019
- Member country support with NDC revision, budgeting, and implementation process in 44 countries
- app. 7 peer to peer exchanges annually
- Knowledge resources on public and private sector investments opportunities related to NDC implementation and successful financing strategies
• **Climate Finance Network**
  - Builds on South-South activities facilitated over last few years on climate change finance

• **National governments support on:**
  - Integrating climate change finance in budget cycle for Finance and planning ministries
  - Introducing climate budget tagging, working directly with finance ministries
  - Innovative financing (green bonds) (Indonesia and Bangladesh)

• **Knowledge exchange amongst peer countries**
  - On comparative advantages and challenges of various models of climate budget tagging

**Relevant upcoming events for 2019**
- Climate Finance Network to be launched in March 2019
- Climate budget tagging workshop (TBD)
- Annual Climate Finance Training in collaboration with local research institutions (Bangladesh TBD)
• **Research and knowledge resources**
  - Financing Climate Futures: Rethinking Infrastructure
  - Effective carbon rates
    - provides information on the ‘carbon pricing gap’ of 42 OECD and G20 countries
  - Inventory of support measures for fossil fuels
    - Online data base, provides updated fossil fuel support data for 34 OECD member countries and six partner countries

• **Knowledge exchange**
  - Centre on Green Finance and Investment
    - enables knowledge exchange among leaders from the private sector, government and regulatory institutions, academia and civil society
    - Forum on Green Finance and Investment (October 2019)

• **Government support**
  - Paris Collaborative on Green Budgeting
    - Green Budgeting Expert Group Meeting (April 2019)

**Relevant upcoming work for 2019**
- Clean Energy Finance and Investment Mobilisation Programme
- Well-being and distributional impacts of climate policy
- Use of carbon-pricing revenues
• Analytical work on fiscal policy for climate change, energy price reform

• Country-level analysis of Paris mitigation pledges
  - Emissions, fiscal, economic impacts of carbon pricing
  - Trade-offs with other instruments
  - 2018 paper (G20 counties); forthcoming Board paper (135 countries)

• Country-level analysis of efficient energy prices
  - To cover supply/environmental costs; implicit subsidies from underpricing
  - 2015 book: efficient energy prices (150 countries)
  - Forthcoming paper: updates energy subsidy estimates (190 countries)

• Climate Change Policy Assessments (IMF-Bank)
  - Assess mitigation/resilience/financing strategies
  - Seychelles, St. Lucia, Belize (completed); Grenada (forthcoming)
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<th>April</th>
<th>May-August</th>
<th>September</th>
<th>October – December</th>
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<td>Distribution of post-Helsinki materials: Meeting summary, fiscal principles, supporting material.</td>
<td>WB-IMF Spring Meetings Scheduled appearance of Coalition</td>
<td>Prepare and disseminate information on the “Helsinki Principles”</td>
<td>UNSG Climate Summit Scheduled appearance of Coalition Opportunity to announce broadening of membership and adoption of principles. Institutions (UN, OECD, IMF, etc.) could issue statements of support</td>
<td>Meeting or communication to review progress, check directions, take further decisions, etc.</td>
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<td>Endorsement of fiscal principles by FMs of Finland and Chile. Outreach by Finland &amp; Chile to other FMs, e.g., Helsinki, Bali participants</td>
<td>Opportunity for public launch, recruit more FMs, pledge of support</td>
<td>Meeting or communication to update countries on Coalition status</td>
<td>Opportunities to meet • WB-IMF Annual Meeting • Regional meetings, e.g. APEC • COP25</td>
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<td>WB CEO issues invitation to FMs for Spring Meeting</td>
<td>Recruitment of countries: - Secretariat and institutional partners inform countries about Coalition and principles - Secretariat to support several lead countries in recruiting target countries e.g. through EDs offices and events like ONE Planet summit</td>
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<td>Preparation of Coalition action plan (ongoing): - Secretariat to receive and compile related activities of other development institutions and bilateral agencies. - Propose a format for discussing and agreeing on governance. - Setting up mechanism to receive funding support to Coalition, if any. Technical work program of WB and other development institutions/bilaterals will be ongoing</td>
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Governance - For discussion

As a new body, the Coalition may wish to clarify only the essential elements, e.g.

• 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
• 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