

Finance Ministers Coalition for Climate Action

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

Day 2

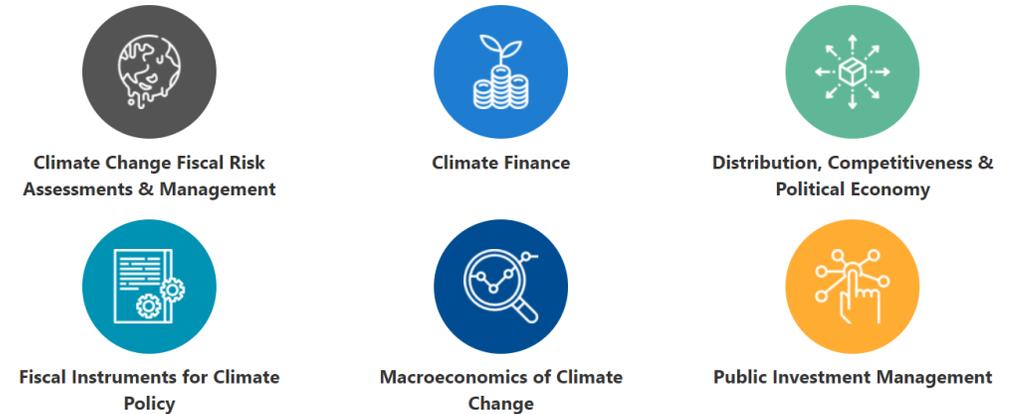
Action Plan, Timeline, and Governance



	<u>Slides</u>
Partners and Institutions	3-8
Timeline after Helsinki	9
Governance	10

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.

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

Sectors



Themes

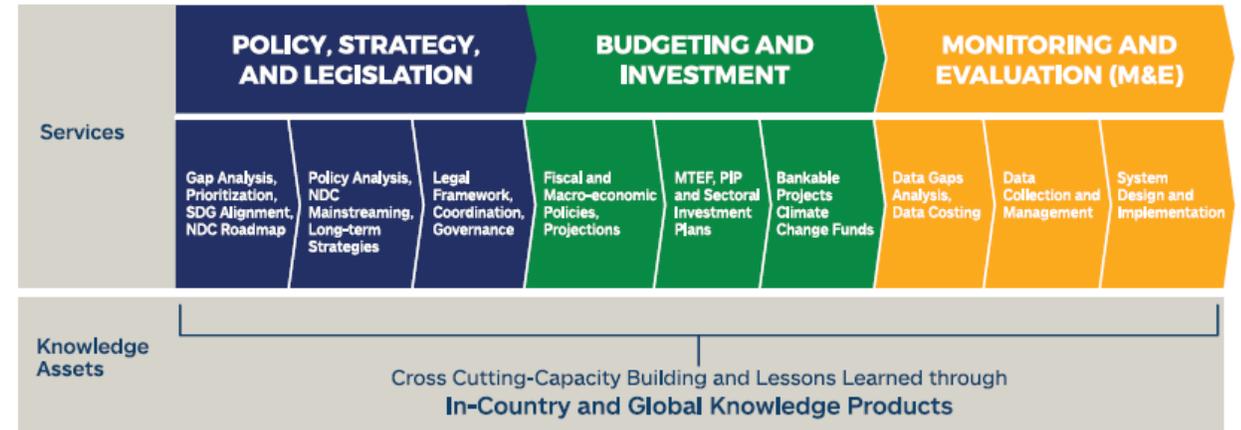


Relevant upcoming work for 2019

- 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.



NDC
PARTNERSHIP

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**

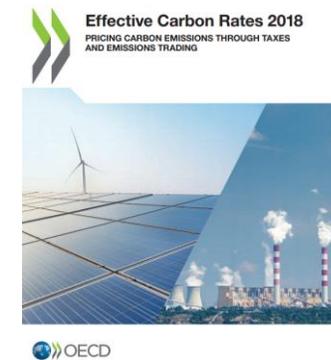
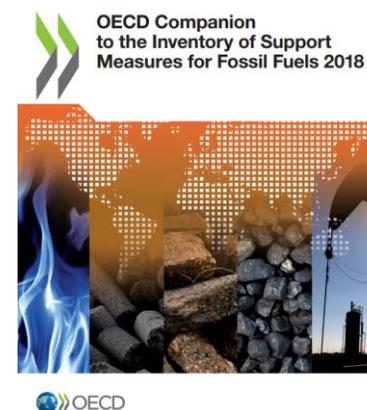
- Financing Climate Futures: Rethinking Infrastructure
- Effective carbon rates
 - provides information on the 'carbon pricing gap' of 42 OECD and G20 countries
- Inventory of support measures for fossil fuels
 - Online data base, provides updated fossil fuel support data for 34 OECD member countries 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)

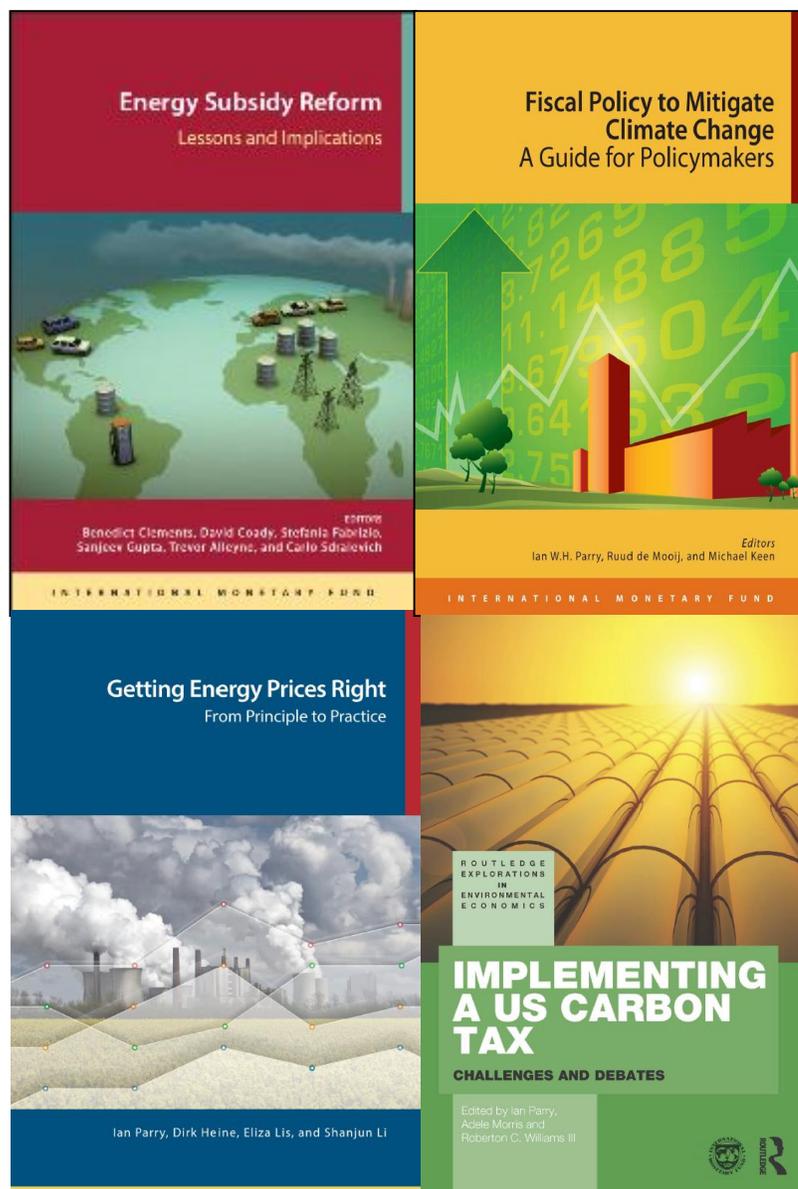
- **Government support**

- 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 countries); 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)

Activities of the Coalition and Secretariat (2019)

February – March	April	May-August	September	October – December
<p>Distribution of post-Helsinki materials: Meeting summary, fiscal principles, supporting material.</p> <p>Endorsement of fiscal principles by FMs of Finland and Chile. Outreach by Finland & Chile to other FMs, e.g., Helsinki, Bali participants</p>	<p><u>WB-IMF Spring Meetings</u></p> <p>Scheduled appearance of Coalition</p> <p>Opportunity for public launch, recruit more FMs, pledge of support</p>	<p>Prepare and disseminate information on the “Helsinki Principles”.</p> <p>Meeting or communication to update countries on Coalition status</p>	<p><u>UNSG Climate Summit</u></p> <p>Scheduled appearance of Coalition</p> <p>Opportunity to announce broadening of membership and adoption of principles. Institutions (UN, OECD, IMF, etc.) could issue statements of support</p>	<p>Meeting or communication to review progress, check directions, take further decisions, etc.</p> <p>Opportunities to meet</p> <ul style="list-style-type: none"> • WB-IMF Annual Meeting • Regional meetings, e.g. APEC • COP25
<p>WB CEO issues invitation to FMs for Spring Meeting</p>	<p>Recruitment of countries:</p> <ul style="list-style-type: none"> - 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 			
<p>Preparation of Coalition action plan (ongoing):</p> <ul style="list-style-type: none"> - 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. <p>Technical work program of WB and other development institutions/bilaterals will be ongoing</p>				

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