

The Coalition of Finance Ministers for Climate Action

Overview of Activities and Green Recovery

June 2021



Overview

62 Members

20 institutional partners

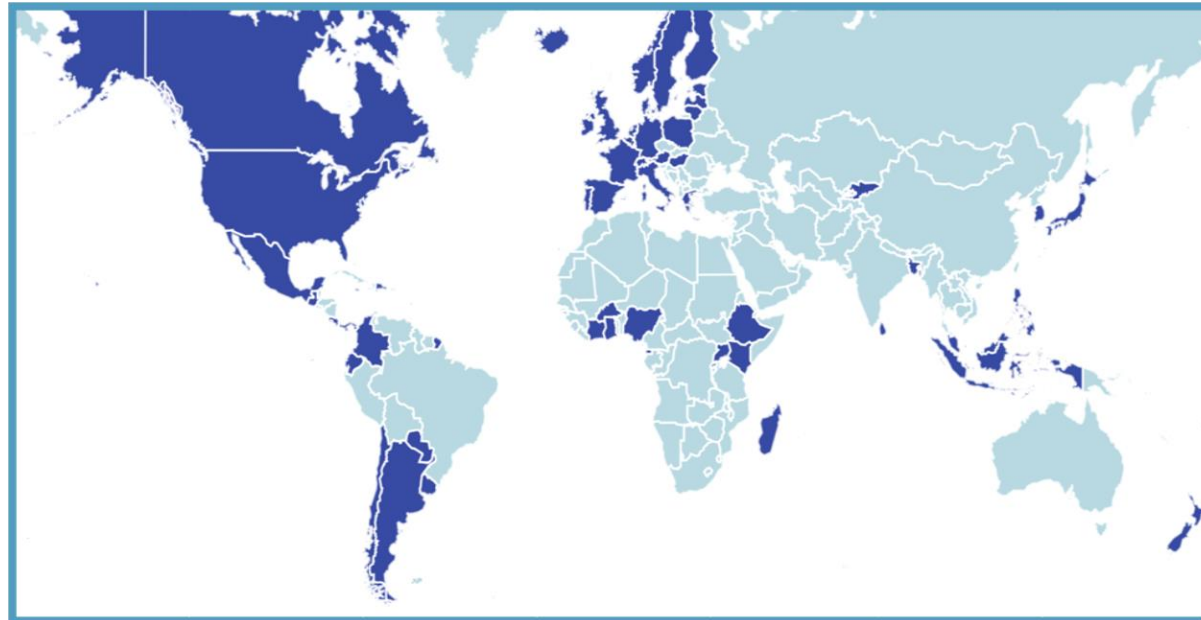
WB and IMF as the Secretariat

The Coalition is about mainstreaming climate into the economic and financial policies



The Coalition of Finance Ministers for Climate Action is a global initiative that:

- Recognizes the **urgent challenges** posed by climate change
- Understands the **role of Finance Ministers** to address those challenges
- Believes our efforts to combat climate change can be strengthened through **collective action and engagement**
- Works together to raise **awareness**, gather **expertise** and develop **tools**
- Support Finance Ministers in **designing climate policies**



Helsinki Principles

The Coalition's work is organized around six Helsinki Principle workstreams, which together provide the **strategic basis** for the Coalition.

Members **endorse the Helsinki Principles** upon joining the Coalition.



Align Policies with the Paris Agreement



Mainstream Climate in Economic Policies



Share Experiences and Expertise



Mobilize Climate Finance



Promote Carbon Pricing Measures



Engage in NDC Development

2021 Work Programme

Santiago Action Plan of 2019 provide identified key actions

The Coalition stands ready to build on this momentum, while recognizing the need for long-term efforts.

The first two years of the Coalition have enhance understanding that a systemic change required

Published on January 27, 2021, our Work Programme aims to:

- Promote a **green recovery** from the COVID-19 crisis.
- Support the **enhanced involvement and knowledge of Finance Ministries** in the design of climate policies (strategies, institutions, governance know-how and research).
- Analyze **long-term transition strategies** and the fiscal impacts of carbon neutrality.
- Deepen our understanding on **carbon pricing policies** (taxes, subsidies, ETS, BCA).
- Promote the **greening of financial systems, and role of the MDBs.**
- **Green budgeting**
- Identify ways to include climate in **macro-modeling.**
- **Promote the Helsinki Principles** in regional and country-level activities with the Institutional Partners.
- **Increase collaboration** with Institutional Partners.

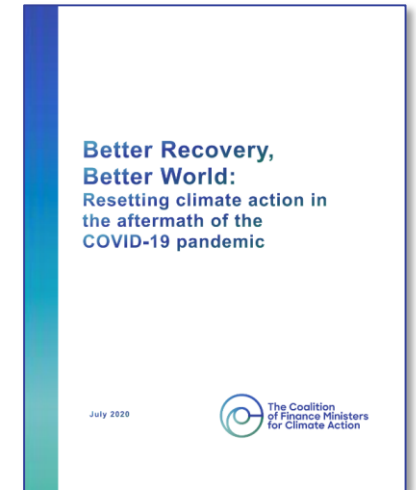
About Green Recovery

With trillions of spending on COVID-19 recovery packages, there is growing momentum to address climate change

It is increasingly clear that climate action, economic growth, and fiscal stability, financial systems and investments go hand-in-hand

- Report July 2020 on Green recovery from the COVID-19 crisis.
 - Stimulus, recovery and long-term strategies
 - Update under preparation based on survey about experiences and challenges
 - Some initial findings
1. **Magnitude:** Stimulus 12-3 %/GDP and recovery 5-3 % GDP
 2. **Financial resources used:** budget, borrowing, guarantees
 3. **Investments priorities:** Job, growth and green / nature
 4. **Reform plans ahead** - regulations, taxes, subsidies
 5. **Policy constraints** – Political feasibility, insufficient technical capacity, perceived economic impacts
 6. **Financial constraints:** lack of access to green finance, lack of institutions to leverage private finance and concessional finance

The work areas of the Coalition are relevant to achieve green recovery, and aims to support economic planning and the design of reforms over longer term.



Thank You

