

Organization and Governance Charter

The Coalition of Finance Ministers for Climate Action

October 12, 2020

A. GENERAL PROVISIONS

The *Coalition of Finance Ministers for Climate Action* (the 'Coalition') is a Ministerial-level group guided by the Helsinki Principles with the objective of mainstreaming climate change aspects in economic and financial policies and public finance, as well as promoting domestic and global action on climate change. It aims to achieve this by: (i) facilitating the exchange of expertise and experience on relevant policies; (ii) serving as a forum to promote common standards and best practices; and (iii) supporting coherent and coordinated responses on climate change issues.

B. MEMBERS, OBSERVERS AND PARTNERS

Membership

The Coalition consists of Finance Ministers, given their mandate over economic, fiscal and financial policy.

Membership to the Coalition is obtained by a membership request by the Finance Minister and a confirmation by the Coalition. Finance Ministries that have joined the Coalition are referred to as 'Member Countries' or 'Members'.

Members endorse the Coalition's Helsinki Principles when becoming a member and commit to actively contribute to the objectives of the Coalition.

A Member may resign from the Coalition through a written notice by the Minister of Finance addressed to the current Co-Chairs.

Role of Members

Ministerial involvement reflects political engagement for climate action by: i) providing guidance on strategic directions and work priorities; ii) undertaking outreach in international forums; iii) engaging in dialogue with stakeholders; and iv) communicating to the public.

Members periodically review the Coalition's overall objectives and setup; endorse annually the 'Work Programme', give strategic direction and review progress and performance of the Coalition's work. Members also approve reports and statements released by the Coalition. Each Member nominates a Sherpa and an Alternate to solely represent the Member. Sherpas are tasked to fulfil the Work Programme, manage the technical work and prepare the Ministerial meetings.

Members commit to contributing actively to the Coalition’s work and dedicate resources to support their participation. Members are expected to actively communicate on commonly agreed messages and the Coalition objectives, as well as raise the awareness on the work domestically and in international fora; and participate in regional and other events that promote Coalition objectives.

Observers

“Observers” refers to representatives of finance ministries of non-member countries that are considering membership and engagement to work according to the Helsinki Principles. Observers may request to attend Coalition meetings and events, primarily at the level of Sherpas. Such requests shall be addressed to the Co-Chairs.

Partners

“Partners” refer to organizations that participate in and contribute to the Coalition’s work, attend the relevant events and may be consulted, but they do not take part in any decisions of the Members. Partners can be “Institutional Partners” or “Guests”. The status as an Institutional Partner is obtained through a dialogue between the Coalition and Institutional Partner candidate and a confirmation by the Coalition membership. Guests are invited on an ad-hoc basis by the Co-Chairs.

C. ORGANIZATION AND WORK CONCEPT

The organizational structure of the Coalition is as follows:

Co-Chairmanship

The Coalition is led by two Member Countries as Co-Chairs. Ministers select among themselves two Co-Chairs to lead the Coalition’s work. The Coalition aims to represent the diversity of its Members with respect to geography and level of economic development, by seeking to select one developed and one developing Member. The Co-Chairs will serve for a term of two years. Where needed, the term may be extended on an annual basis.

The Co-Chairs convene and chair Coalition meetings, make proposals on the organization of the work and common policy directions, and represent the Coalition where necessary. The Co-Chairs are entrusted to speak on behalf of the Coalition or represent their interests as described in this Charter and Working Arrangements.

The operational leadership of the work is entrusted to the Sherpa’s of the Co-Chairs. Sherpas serving as operational Co-Chairs are high-level finance ministry officials nominated by the Minister. The Co-Chairs may convene a steering group, invite advisors or use other appropriate ways to steer the work.

The Secretariat

The Secretariat is responsible for supporting the leadership, work and efficient functioning of the Coalition. The responsibilities of the Secretariat are the provision of administrative, logistical and technical support to the Coalition and Co-Chairs in achieving its objectives. Under Co-Chairs guidance, specific duties and tasks of the Secretariat include:

1. Providing strategic advice to the Co-Chairs and Members;
2. Organizing meetings and events called by Co-Chairs and Members;
3. Supporting the activities and organization of Work Streams;
4. Managing the information and documentation of the Coalition;
5. Maintaining the Coalition's website;
6. Monitoring progress and preparing the Annual Report;
7. Preparing an annual budget and staffing plan with the Co-Chairs for approval by Members;
8. Preparing documents, papers and minutes for the Co-Chairs and the Coalition;
9. Facilitating collaboration among Members and Institutional Partners;
10. Managing Coalition membership and supporting the efforts of Co-Chairs to recruit new Members and Institutional Partners.

The Secretariat is hosted by the World Bank.

The Secretariat is led by the Secretary, acting on full-time basis, with sufficient seniority, experience and skills, as well as understanding of the Coalition's objectives. The Secretary is sufficiently accountable to the Co-Chairs. The Co-Chairs participate in the selection process of the Secretary.

The Secretariat is adequately staffed to carry out its tasks. The staffing of the Secretariat and resources to support the Coalition's work are reviewed annually as part of work planning.

Annual Work Programme

The Members endorse the Coalition's annual Work Programme, having the opportunity to propose topics and areas of work.

Work Streams

Work Streams are established for each Helsinki Principle in line with specific goals set out in the Work Programme. Each Member Country is expected to participate in at least one Work Stream. Each Work Stream is led or co-led by a Member Country/Countries ("Lead-role"). Lead-roles shall be reviewed annually in the context of Work Programme updates. Leaders shall guide, facilitate and coordinate works within the Work Stream supported by the Secretariat and Institutional Partners.

Regional Activities

The Coalition has a broad global reach, with representation that covers all geographic areas, levels of development and various different climate challenges. Coalition activities may be arranged also at the regional level, and Member Countries may be assigned to a regional Lead-role(s).

Meetings and Events

Ministerial Meetings

The Coalition Members meet at the Ministerial level in full formal composition (Plenary) at least once a year, during the WB-IMF Annual Meetings. Co-chairs convene Ministerial meetings. Ministers may also convene in a more informal, restricted or regional format, depending on objective and purpose. Meetings may also be organized in virtual format.

Sherpa Meetings

The Sherpas will meet regularly to implement the Work Programme and prepare the Ministerial meeting. Sherpas convene at least once a year in-person, depending on the Work Programme, but meetings are mainly organized in virtual format. Sherpa meetings may also be organized in the context of Ministerial meetings. Physical meetings may be hosted by Members, or Institutional Partners, preferably jointly in cooperation, with the support of the Secretariat.

Workshops and Seminars

The Coalition organizes workshops and seminars to gather expertise, exchange experience, develop knowledge, and build a common understanding.

D. DECISION MAKING AND FINANCES

Decision Making

The Coalition aims for unanimity. If unanimity is not feasible, the Co-chairs may propose a vote.

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

Tasks	Authority recognized by the Coalition
Accept new Members	Ministers or Sherpas
Accept new Institutional Partners	Sherpas
Review the Coalition's overall objective and setup	Ministers or Sherpas
Endorse the Work Programme	Ministers
Review progress of the Coalition's work	Ministers or Sherpas
Endorse Charter	Ministers
Endorse Working Arrangements	Sherpas
Endorse the Co-Chairs	Ministers
Approve reports and statements released by the Coalition	Ministers or Sherpas

Financing

Membership to the Coalition is free of charge.

Operating costs of the Coalition, including the cost of the Secretariat, are borne by Members on a voluntary basis or by in-kind support through secondees from donor agencies or institutions. Members may agree to provide financing to specific projects based on particular interest and on the

merits of the project. If financial resources are provided by Members, a dedicated arrangement will be established.

Expenditures and sources of finance shall be reviewed annually. The Secretariat prepares an annual budget and staffing plan with the Co-Chairs for approval by Members. The Secretariat shall monitor and administer the use of funds. The Coalition does not manage funds that can be allocated to technical assistance or financing for operations.

E. TRANSPARENCY, PRODUCT OWNERSHIP AND EXTERNAL RELATIONS

Transparency, Public Information and Product Ownership

The Coalition obeys maximal transparency in carrying out its activities. Ongoing technical and preparatory work is not publicly accessible, as well as meeting deliberations.

The documents and materials produced by the Coalition are approved by the Ministers or Sherpas prior to their publication. The documents and outputs of the Coalition are not those of Partners.

As part of its Working Arrangements the Coalition endorses further policies and classifications.

External Relations

Beyond its Members and Institutional Partners, the Coalition engages with other stakeholders through the publication of reports, the organization of public events, participation in events organized by stakeholders and partners, public statements, press releases and the website.

F. FINAL PROVISIONS

Legal Effect

These governance arrangements, including the Charter, its Explanatory Note, the Working Arrangements and all its Annexes, are not intended to create any legal rights or obligations, including any regulated by international law.

Review of Charter

The Coalition has set its provisions for governance arrangements and its activities in this Charter, which will be reviewed periodically, at least once every three (3) years.

Working Arrangements

The operational and administrative aspects of Coalition functions and governance arrangements are defined in more detail in the 'Working Arrangements' document that is reviewed at least annually.

Effective date

These provisions will come into effect on 12 October 2020.