

Annual Report 2022

ACKNOWLEDGEMENTS

As we look back on a productive year of climate action and toward an energetic year ahead, we would like to acknowledge the dedication and hard work of those who engaged with the Coalition across our Member countries and Institutional Partners. The Coalition's work would not be possible without the generous support provided through the Climate Support Facility, funded by the German, Austrian and Swiss governments.

LOGO

The Coalition's logo and symbology that appear throughout this Annual Report are derived from meteorological images, heatmaps, and other depictions of the dynamics actively shaping the Earth's climate systems. Rhythmical plywood reliefs by Finnish sculptor Tapio Wirkkala, a leading figure of modern industrial art and design, provided further inspiration.

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TABLE OF CONTENTS

Foreword by the Co-Chairs.....	4
Section 1: Overview	7
Executive Summary.....	8
Year at a Glance.....	12
Section 2: Members and Partners	13
Members	14
Institutional Partners	16
Section 3: Ministerial Meetings	17
6th Ministerial Meeting	18
Ministerial Meeting at COP26.....	19
7th Ministerial Meeting	21
Section 4: Workstream Activities	23
Helsinki Principle 1	25
Helsinki Principle 2.....	27
Helsinki Principle 3.....	29
Helsinki Principle 4.....	32
Helsinki Principle 5.....	34
Helsinki Principle 6.....	37
Cross-Cutting Work.....	39
Section 5: Impact.....	44
Our Achievements	45

Foreword by the Co-Chairs

The Coalition of Finance Ministers for Climate Action has been in operation now for three years. In that time, it has set an ambitious yet balanced work agenda and has achieved significant institutional milestones such as establishing an organizational structure and developing well-functioning internal processes. Implementing the Coalition's Helsinki Principles to address climate change will require a huge amount of work and sustained engagement. As Finance Ministers, we must lead the effort to integrate climate into economic policymaking, including in our day-to-day routines and activities.

Climate change affects us more and more. Together with biodiversity loss and other nature-related risks, it poses a huge challenge to our economies. To cope, our economies need to undergo systemic changes to bring about a sustainable and just economy.

As we reflect on the past 12 months, we see a year of change. The geopolitical environment and energy market changed in February when our Member Ukraine was attacked, unprovoked, by Russia. The invasion and its impacts have brought new energy security challenges and underscored the need to hasten the energy transition. But the impacts of this war are much larger than Europe's energy crisis. The ongoing conflict has also affected global food production—another sector with strong links to climate change and biodiversity loss. In this time of crisis, new economic and financial tools and policies are needed to fight climate change and safeguard and restore the natural world.

We are pleased the Coalition has continued to expand in 2022, and we believe this growing interest stems from the Coalition's value proposition. We are now 78 finance ministries. A lot of the recent interest shown toward the Coalition has come from regions where the Coalition has not yet had a strong presence. This indicates that the Coalition has become a truly global platform that can add value to its Members' climate work across all regions and levels of economic development.

Our fast-growing membership requires that we audit our processes and governance arrangements to ensure we make progress, adhere to our mission, and deliver for our Member countries, partners, and stakeholders. Beyond efficient governance, leveraging the expertise of our Institutional Partners is a key component of our work that provides concrete benefits for our Members, and is an area we wish to strengthen. We encourage the Secretariat, the Helsinki Principle workstream leads, and our Institutional Partners to look for opportunities to increase collaboration on a national and regional level.

The Coalition took part in the COP26 UN Climate Change Conference and, encouraged by the talks in Glasgow, we look forward to continuing discussions at COP27—taking place this November in Sharm el-Sheikh, Egypt—about Finance Ministers' contribution to climate action. We believe it is essential to further define the role and mandate of finance ministries in achieving net-zero globally.

The G20 Presidency of Indonesia in parallel with the Coalition Co-Chairmanship provided us an opportunity to combine efforts over the course of 2022. This was particularly relevant in discussions on energy transition, which is of growing importance not only due to the war in Ukraine but also the increasing effects of climate change.

The COVID-19 pandemic continued to impact countries around the world during our operational year, causing severe social and economic stress, and leading to exceptional stimulus measures to support our economies. Looking at all the difficulties our economies are now facing, we must remember that there are no fast solutions to climate change. We need to keep developing evidence-based policies to support a green transition and ramp up our ambition. Collaboration is essential, and by sharing our expertise and experiences and learning from one another, we are much better equipped to take climate work forward in our ministries.

We Co-Chairs, together with Members and Institutional Partners, stand ready to lead the Coalition and face the challenges ahead together. As ever, the Coalition remains committed to helping Member countries develop economic policies that tackle the climate crisis and benefit nature, people, and our economies.

Finally, this year saw a transition of Coalition Secretaries—a role which, in many ways, holds the Coalition together as well as supports continuity and country ownership. We would like to use this opportunity to thank Christian Eigen-Zucchi for his tireless work and dedication as Secretary of the Coalition from its inception until March 2022. We would also like to thank Fiona Stewart for serving as Acting Secretary from March until July this year, and we warmly welcome the incoming Secretary, Mart Kivine, who took over the role in August. Overall, we are grateful for the World Bank and the International Monetary Fund (IMF) for providing us the Secretariat functions and technical expertise to support our work.



Annika Saarikko

*Minister of Finance
Finland*



Sri Mulyani Indrawati

*Minister of Finance,
Indonesia*



“

Australia, with its new government, is back in the game for climate action. Our government recently legislated our 2030 emissions reduction target of 43% below 2005 levels, putting us back on track to achieve the target of net zero emissions by 2050. We know that ambitious climate action is a generational and economic imperative and that our collective progress depends on the individual actions of each nation, so I'm proud that Australia is restoring its role as a dependable and diligent nation on climate action.

I look forward to working closely with members of this Coalition to strengthen our global institutions, mobilize investment, and seize the opportunities we all know can come from effective climate action.

”

James Chalmers

*Treasurer,
Australia*

2022 Overview

Profit Center



Executive Summary

The year from October 2021 to September 2022 was very active for the Coalition of Finance Ministers for Climate Action. In the past year, the Coalition convened three Minister-level meetings and 13 Sherpa meetings, organized 22 workshops on a wide range of climate-finance topics, hosted 3 stakeholder dialogues, and published 7 reports and papers.

The number of Coalition Member countries continues to grow at a steady pace. Thirteen new countries joined the Coalition over the past year—about the same number that joined in the year prior. Among the new Members were countries in Africa and Asia—two regions where the Coalition has historically not had many Members—as well as two top-20 emitters. Of the world's top 20 emitters, 12 are now Coalition Members. The Coalition's 78 Member countries now represent 39% of global energy-related CO₂ emissions (based on 2020 IMF World Economic Outlook data) and 66% of global GDP (based on 2020 World Development Indicators data). The number of Institutional Partners of the Coalition remains at 25.

Despite this consistent growth of about one new Member per month, the Finnish and Indonesian Co-Chairs launched a membership drive in mid-2022 to more rapidly boost membership, with a target of expanding to 100 Member countries by mid-2023. To this end, both Co-Chair teams engaged in outreach efforts to non-members, with the Finnish Co-Chair team also traveling to Asia to meet with a number of prospective member countries in person. Temporary observerships were also offered to prospective Members for the first time, allowing them to participate in workshops and observe sherpa-level meetings before making a decision on membership. We will likely continue offering temporary observerships to prospective Members going forward.

The reporting year began with the [6th Ministerial Meeting](#) in October 2021, held virtually during the IMF/World Bank Annual Meetings. During the first session, finance ministers shared perspectives on common challenges in developing and implementing climate policies from a macro-fiscal-finance angle, and highlighted the critical need to mainstream climate considerations into economic and financial policies. In the second session, ministers debated the key reforms needed to support a just and affordable transition to low-carbon economic growth, and asserted that carbon neutrality goals should be more clearly integrated into countries' Nationally Determined Contributions (NDCs) and long-term strategies. Following the second session, the [2021 Annual Report](#) and [October 2021 Joint Ministerial Statement](#) were endorsed.

“

The climate crisis caused by greenhouse gas emissions is having tragic impacts on development. To support climate action, many developing countries need massive grants, concessional finance, and investments to enable their energy, transport, and agriculture transitions.

I thank the Coalition's Member countries for their commitment to addressing climate change. The World Bank Group is working closely with public and private partners, shareholders, and stakeholders to help countries achieve their climate action goals, and the Coalition is a key partner in our efforts.

”

David Malpass

*President,
World Bank Group*

“

The Coalition is a central place to discuss openly and directly how we can leverage fiscal policy in the global climate response and address the challenges we face collectively.

It is effective thanks to countries' leadership and the direct engagement of Finance Ministers. Expanding this engagement to Coalition's workstreams is the next step needed for its full success.

”

Kristalina Georgieva

*Managing Director,
International Monetary
Fund*

Some three weeks after the 6th Ministerial Meeting, the Coalition held an [in-person meeting](#) during Finance Day at COP26. Hosted by then UK Chancellor of the Exchequer Rishi Sunak, the meeting focused on advancing efforts to better align economic and financial decision-making with the goals of the Paris Agreement. At the meeting, which was one of the main events on Finance Day, Members also resolved to continue working together on aligning their economies with the goals of the Paris Agreement and developing common concepts, tools, and practices through the framework of the Helsinki Principles.

Prior to the meeting, the Coalition released a report titled, [Mainstreaming Climate into Economic and Financial Policies](#), to frame the discussion, and the Coalition Co-Chairs and the Network for Greening the Financial System (NGFS) released a [Chairs' Joint COP26 Statement](#) after the meeting expressing support for the COP26 process and highlighting key areas where ministries of finance, central banks, and financial sector supervisors can help shift the trajectory towards carbon neutrality.

A collaborative process was undertaken at the end of the 2021 calendar year, as in previous years, to develop the [2022 Work Programme](#). The process, led by the Co-Chairs and the Helsinki Principle workstream County Leads and Coordinators, included an in-depth Member survey, guidance provided by Ministers at recent Ministerial meetings, and discussions with Members and Institutional Partners. The annual work programme continues to be invaluable in guiding the Coalition's activities and ensuring the Coalition stays true to its mission.

The Coalition held its [7th Ministerial Meeting](#) virtually during the IMF/World Bank Spring Meetings in April 2022. During the first session on managing climate policy in times of fiscal constraint and energy volatility, Ministers highlighted the increasing burden on households and vulnerable communities resulting from the pandemic, the fast-evolving geopolitical situation, and climate risks. Ministers also shared their perspectives on the challenges and opportunities emerging from this period of rising commodity and energy prices, and underlined the importance of international cooperation. In the session on multilateral approaches to carbon pricing, the discussion centered on carbon pricing's effectiveness in meeting the Paris Agreement goals and its ability to mobilize revenue resources capable of closing the fiscal gap resulting from the recent period of economic contraction. The discussion also emphasized the importance of international coordination when it comes to designing and establishing carbon pricing instruments at the national level. A [Co-Chairs' Meeting Summary and Press Release](#) was published after the meeting.

After almost three years of gathering virtually, the Coalition's 8th Ministerial Meeting, on the theme of the green transition, will be held entirely in person at the IMF Headquarters in Washington D.C. during the 2022 IMF/World Bank Annual Meetings. As the acute threat of Covid-19 abates and travel restrictions continue to ease, the Coalition's Minister-level meetings will likely be held in person going forward. In addition, opportunities for in-person sherpa and workstream meetings and workshops will be explored. Even so, the Coalition will continue embracing the virtual format for most of its sherpa and workstream-level activities to allow for inclusive and climate-friendly participation.

Two Co-Chair selection processes were held during the reporting period. The first, in February 2022, was to consider the extension of Finland's term as Co-Chair for a fourth and final year from April 2022 until April 2023. The extension request was endorsed by Members on a no-objection basis.

The second process, held in September 2022, had two objectives. The first was to consider the extension of Indonesia's term as Co-Chair for a third year from April 2023 until April 2024. The extension request was endorsed by Members on a no-objection basis. Since Finland's role as Co-Chair would necessarily come to a close in April 2023, having served the maximum four years, the second objective was to select a new Co-Chair who would serve in the role from April 2023 until April 2025. The Netherlands was selected to replace Finland; the handover will officially take place during the 9th Ministerial Meeting in April 2023.

Mart Kivine was appointed as the Coalition's new Secretary in August 2022, overseeing the Secretariat's functions and liaising closely with Co-Chairs, Members, and Institutional Partners to implement the Coalition's various programs. Mr. Kivine followed Christian Eigen-Zucchi—who led the Secretariat successfully through the Coalition's formative years—with Fiona Stewart serving as temporary Secretary in the interim. The Coalition continues to benefit from the hard work, dedication, and technical expertise of the Secretary and the Secretariat team.

Looking ahead to 2023, the Coalition will continue its efforts to advance climate action through fiscal, financial, and economic policymaking. Based on initial discussions with Coalition Members and Institutional Partners, some specific priorities are to 1) maintain the current high quality of events and publications by prioritizing quality over quantity; 2) continue capacity building by offering specialized trainings in climate economics to benefit Members; 3) increase the number of events that take place during business hours in Asian timezones; 4) continue to foster productive relationships with partners and stakeholders; and 5) deepen its engagement with the UNFCCC and COP processes; and 6) better understand the impact of our work. In order to achieve those goals, a

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The Coalition has established itself as an important international forum for collaboration and expertise sharing. It supports the process of mainstreaming climate considerations into economic and fiscal policy which is key for the sustainability of the global economy and well-being of our society.

The recent challenges on energy prices and energy security show us the requirement for comprehensive and well-designed long-term climate considerations within the economic and financial policy framework.

”

Magnus Brunner

*Federal Minister of
Finance,
Austria*

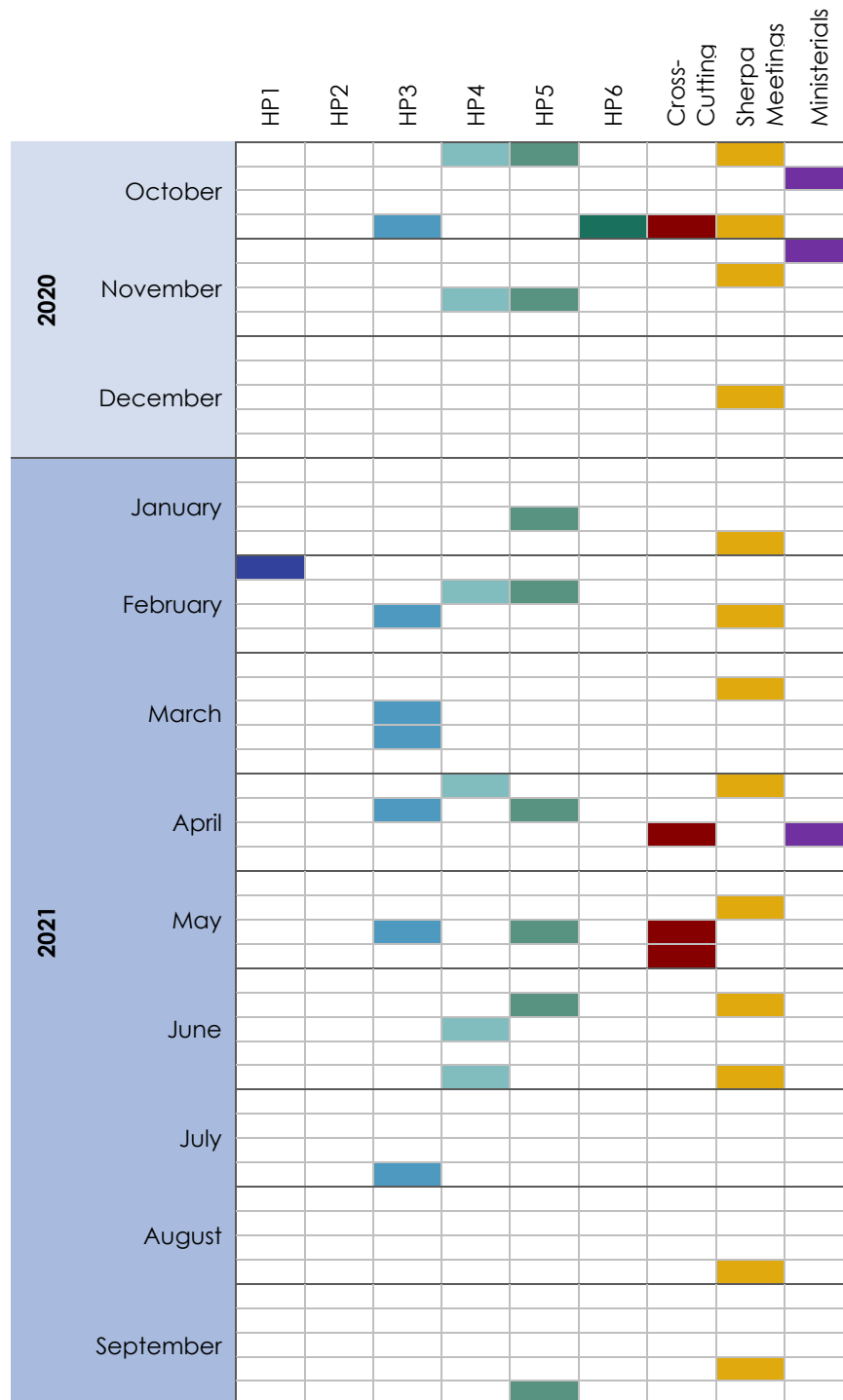
collaborative effort to strengthen the Secretariat's coordinating capacity will be required and pursued.

Each passing year, the cumulative impacts of climate change continue to mount. The need for finance ministries to engage fully with the twin imperatives of climate change mitigation and adaptation is more clear than ever. The Coalition continues to be a vital forum for Finance Ministers to exchange ideas, learn from one another, and work on mainstreaming climate into economic policies, leading to stronger, better informed, and more coordinated climate policies.



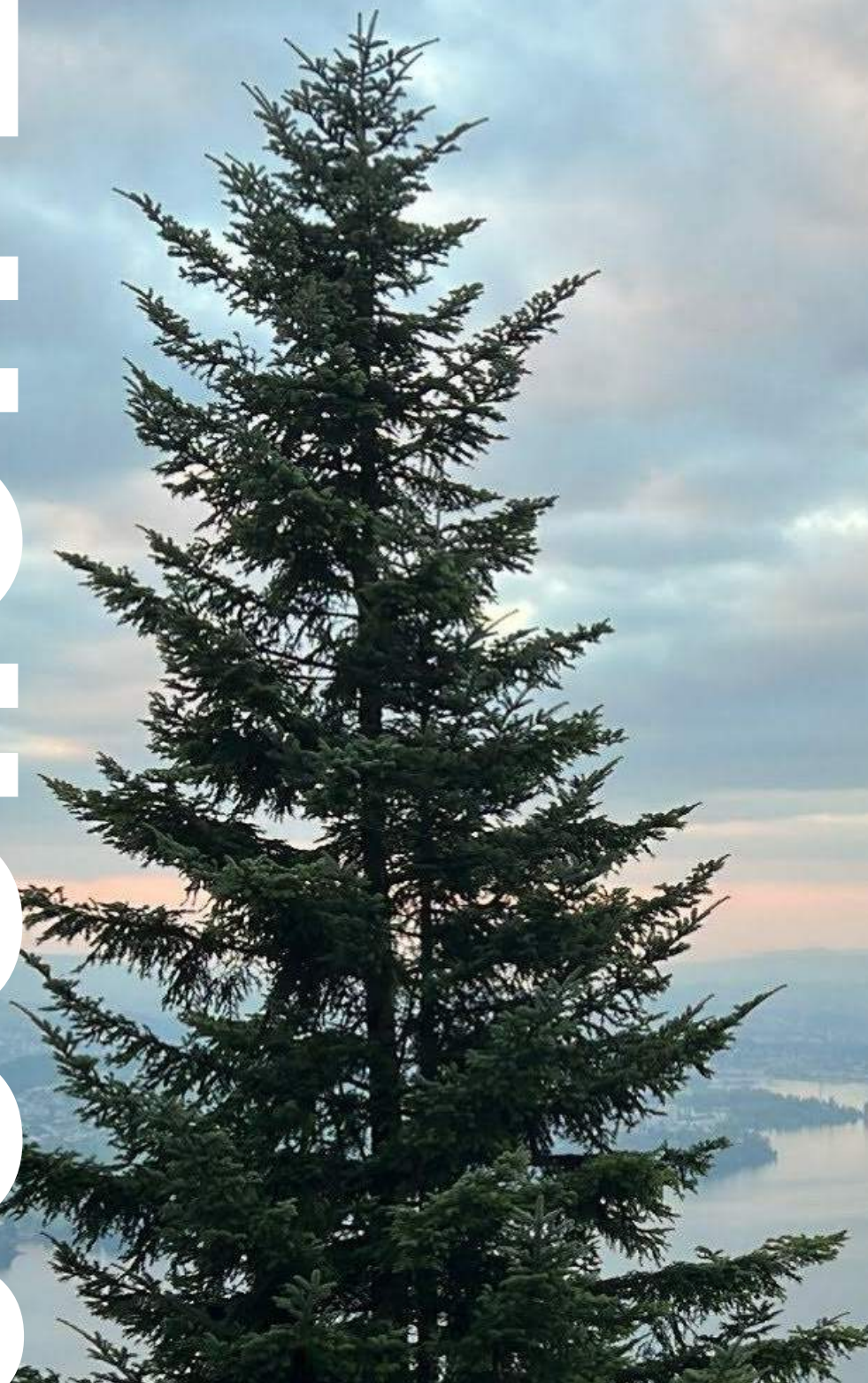
Year at a Glance

Colored boxes indicate a workshop, meeting, or activity that took place during that week.



Members & Partners

Section 2

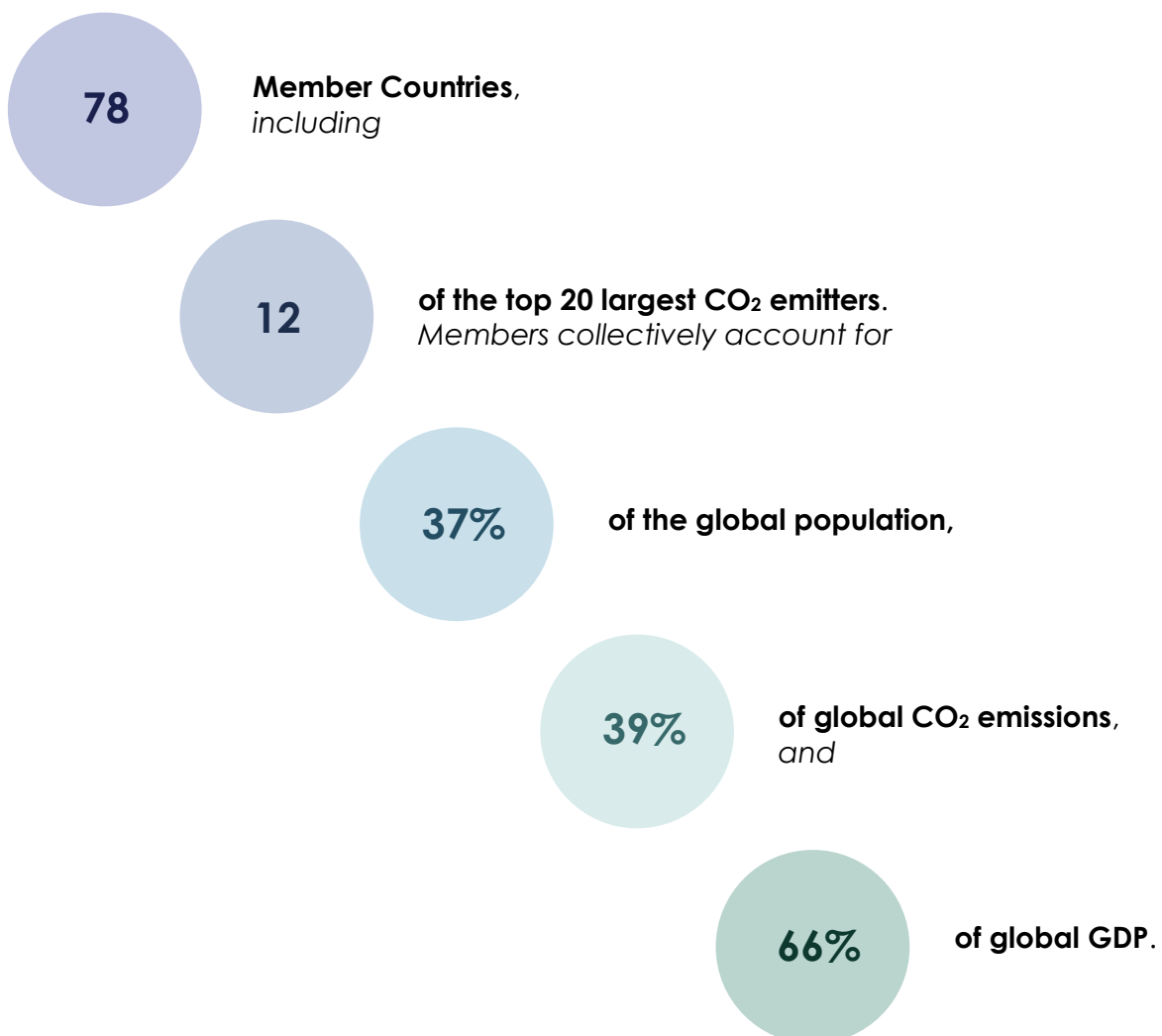


Members

Since October 2021, an additional 13 countries—Andorra, Australia, Bahamas, Bahrain, Cameroon, Djibouti, Egypt, Eswatini, Iraq, Kazakhstan, Morocco, Mozambique, and Singapore—endorsed the Helsinki Principles and joined the Coalition. Membership now stands at 78 countries, with a Co-Chair target to expand membership to 100 countries by mid-2023.

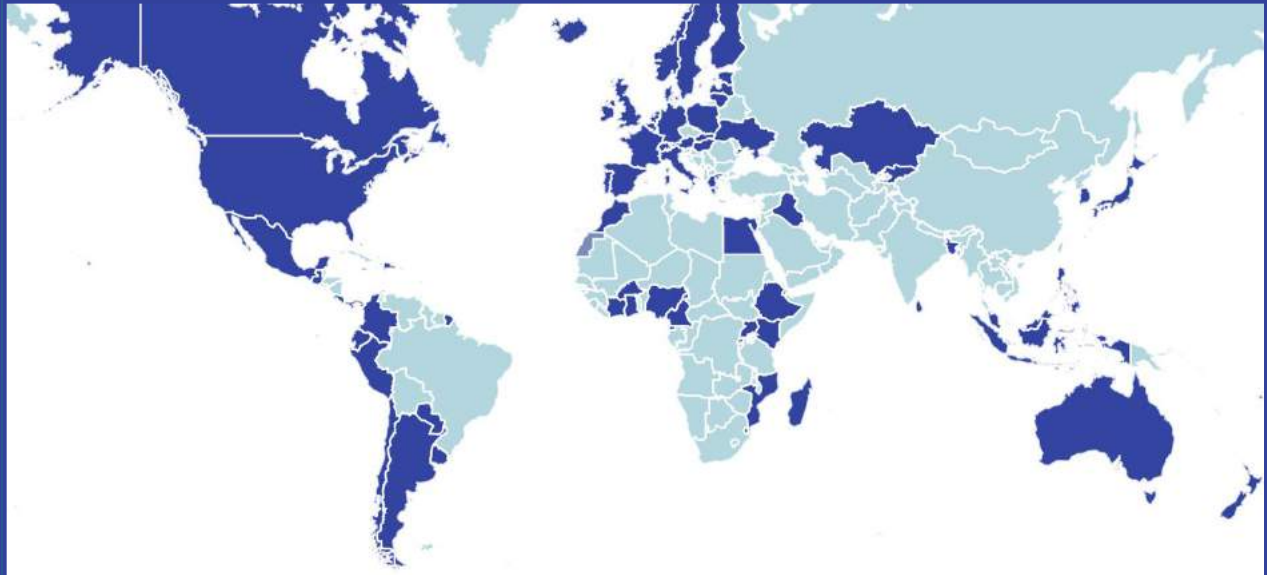
The Coalition brings together countries from all levels of economic development—about one-third from high-income countries, one-third from medium-income countries and one-third from low-income countries—representing different climate challenges and geographic locations.

Membership by the numbers in 2022



Map of Coalition Members

(as of October 2022)



List of Coalition Members

Andorra	Egypt	Kazakhstan	Paraguay
Argentina	Equatorial Guinea	Kenya	Peru
Austria	Estonia	Kyrgyzstan	Philippines
Australia	Eswatini	Latvia	Poland
Bahamas	Ethiopia	Lithuania	Portugal
Bahrain	Fiji	Luxembourg	Republic of Korea
Bangladesh	Finland	Madagascar	Rwanda
Belgium	France	Malaysia	Singapore
Burkina Faso	Germany	Maldives	Slovakia
Cameroon	Ghana	Marshall Islands	Spain
Canada	Greece	Mexico	Sri Lanka
Chile	Guatemala	Monaco	Sweden
Colombia	Hungary	Morocco	Switzerland
Costa Rica	Iceland	Mozambique	Tonga
Côte d'Ivoire	Indonesia	Netherlands	Uganda
Cyprus	Iraq	New Zealand	Ukraine
Denmark	Ireland	Nigeria	United Kingdom
Djibouti	Italy	Norway	United States
Dominican Republic	Jamaica	Panama	Uruguay
Ecuador	Japan		

Institutional Partners

The Coalition continues to benefit greatly from active collaboration with Institutional Partners, listed below (in alphabetical order). Institutional Partners (IPs) are organizations that have mandates aligned with the Helsinki Principles and expertise in climate policies related to Finance Ministries. IPs contribute regularly to the Coalition's work by providing expertise, technical support, and strategic advice to one or more of the Helsinki Principle workstreams.



BROOKINGS



Ministerial Meetings

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About Ministerial Meetings

The Coalition convenes Ministers of Finance twice per year to discuss key priorities, hear from stakeholders, issue statements, and move the work of the Coalition forward. In addition to two annual Ministerial Meetings, the Coalition typically hosts a meeting during the Finance Day at COP each November.

6th Ministerial Meeting

October 12, 2021

The Coalition held its [6th Ministerial Meeting](#) virtually during the 2021 Annual Meetings of the World Bank Group and the IMF, under Co-Chair H.E. Sri Mulyani Indrawati, Minister of Finance of Indonesia, and Co-Chair H.E. Annika Saarikko, Minister of Finance of Finland.

Following opening remarks by the Finnish Co-Chair, remarks on key multilateral policy challenges were provided by the IMF Managing Director, World Bank President, and United Nations Secretary General. In the first session that followed, finance ministers emphasized the key role of ministries of finance in helping tackle climate change, highlighting the critical need to mainstream climate considerations into economic and financial policies and how to make progress on this challenging agenda. The discussion was opened by United States Treasury Secretary Janet L. Yellen and Maldives Minister of State for Finance Ismail Ali Manik. During the discussion, finance ministers shared perspectives on common challenges in developing and implementing climate policies from a macro-fiscal-finance angle.

In the second session, finance ministers discussed reforms that could support a just and affordable transition to low-carbon economic growth. In this regard, the need for a comprehensive, horizontal approach to the transition to carbon neutrality was emphasized. Ministers asserted that carbon neutrality goals should be more clearly integrated into countries' NDCs and long-term policy strategies. Ministers also stressed the importance of carbon pricing, rationalizing and phasing out inefficient fossil fuel subsidies, improving regulations, and enhancing the effectiveness of emissions trading schemes in achieving the goals of the Paris Agreement. It was also argued that the role and institutional basis of finance ministries should be reviewed in the context of mainstreaming climate change into economic and financial policies.

Following the second session, the [2021 Annual Report](#) and [October 2021 Joint Ministerial Statement](#) were endorsed, and the Indonesian Co-Chair provided closing remarks. The meeting concluded with video statements from Members and Institutional Partners. A [press release](#) was published.

“

As Finance Ministers we have the tools in our hands to push the green transition. Not just by greening public spending, but also by encouraging the private sector and our households to step in.

In Belgium I overthrew our tax system for company cars to stimulate the use of electric cars, and we continue emitting green government bonds. The CFMCA is the perfect platform to share those best practices, and to work on common international standards.

”

Vincent Van Peteghem

*Deputy Prime Minister
and Minister of Finance,
Belgium*



Above: Collage of speakers from the 6th Ministerial Meeting

Coalition Meeting at COP26

November 3, 2021

UK Chancellor of the Exchequer Rishi Sunak hosted an in-person [Coalition meeting](#) as part of COP26 Finance Day. Coalition Co-Chairs H.E. Annika Saarikko, Minister of Finance of Finland, and H.E. Sri Mulyani Indrawati, Minister of Finance of Indonesia, moderated the discussions.

Preceding the meeting, the Coalition published a paper, [Mainstreaming Climate into Economic and Financial Policies](#), to contextualize the COP26 discussions. The short report drew on the work of the Coalition's six workstreams and the priorities set forth by Members at the 6th Ministerial meeting. The paper argued that mainstreaming climate requires major strategic changes within finance ministries and large investments in capacity building, and outlined steps that could be taken to achieve this.

The COP26 event focused on advancing efforts to better align economic and financial decision-making with the goals of the Paris Agreement. World Bank Group President David Malpass, IMF Managing Director

Kristalina Georgieva, and NGFS Chair Frank Elderson shared their perspectives and emphasized the importance of joint efforts by economic and financial leaders to address climate change.

Ministers shared perspectives on policy options developed in different contexts and regions, and how they can use the levers at their disposal to implement a systemic shift in their policies. Members also resolved to continue working together on aligning their economies with the goals of the Paris Agreement and developing common approaches, concepts, tools, and practices through the Helsinki Principles. It was recognized that finance ministries need to step up action to accelerate the decarbonization of their economies and ensure a just and orderly transition that is positive for jobs, growth, and competitiveness. Participants also underscored the high budgetary cost and risks of climate change in many Member countries, and the need to enhance adaptation and address climate risks in all their forms, together with risks associated with biodiversity loss.

The Coalition Co-Chairs and the NGFS Chair released a [Chairs' Joint COP26 Statement](#) expressing support for the COP26 process and highlighting key areas where ministries of finance, central banks, and financial sector supervisors can help shift the trajectory towards carbon neutrality. A [press release](#) was also issued.



Above: Collage of speakers from the Coalition Meeting at COP26

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The global economy is going green, and it is essential for the prosperity of people around the world today—and for generations to come—that we come together to support that transformation.

It's why Canada has one of the world's most ambitious systems for pricing carbon pollution, and why we will continue encouraging our partners around the world to follow suit. And it's why our government is continuing to make record investments in climate action and in leveraging the private investment we'll need to meet Canada's ambitious climate targets.

”

Chrystia Freeland

*Deputy Prime Minister
and Minister of Finance,
Canada*

7th Ministerial Meeting

April 19, 2022

“

The world is changing; it demands rapid green transition that is inclusive, and people centered. The Coalition of Finance Minister for Climate Action must spearhead the discussion to promote just transformation that is equipped by a strong national financing framework and continuous synergy with other actors.

Together as the Coalition of Finance Minister for Climate Action's members, we can lead the transition for a just emissions future for everyone.

”

Sri Mulyani Indrawati

*Minister of Finance,
Indonesia*

The Coalition held its [7th Ministerial Meeting](#) virtually during the IMF/World Bank Spring Meetings in April 2022, under Co-Chairs H.E. Sri Mulyani Indrawati, Minister of Finance of Indonesia, and H.E. Annika Saarikko, Minister of Finance of Finland.

To prepare Members and set the stage for the Minister-level discussions, the Coalition held two preparatory workshops prior to the meeting. The first workshop, on emissions trading schemes (ETs), served as a primer on the launch of ETs and emissions trading markets. The workshop covered three ET case studies—Korea, Mexico, and the UK—exploring the challenges encountered by these countries in implementing their ET approaches, as well as the impacts on emissions, revenues, and other government objectives following the launch of the schemes. The second workshop, on multilateral approaches to carbon pricing, explored the policy considerations and potential impacts of multilateral carbon pricing initiatives such as the European Union's proposal for a Carbon Border Adjustment Mechanism, the German proposal for the establishment of a climate club, and the IMF staff's proposal for an International Carbon Price Floor.

The Ministerial meeting was divided into two substantive sessions. Session 1 focused on managing climate policy in times of fiscal constraint and energy volatility, while Session 2 focused on multilateral approaches to carbon pricing. Opening and closing the meeting were remarks from the Co-Chairs as well as the World Bank President and IMF Managing Director.

The meeting highlighted the increasing burden on households and vulnerable communities resulting from the pandemic, the fast-evolving geopolitical situation due to Russia's invasion of Ukraine, and climate risks. These compounding challenges call for a just and swift transition. Ministers shared their perspectives on the challenges and opportunities emerging from this period of rising commodity and energy prices, and underlined the importance of international cooperation and the need for further analytical work to better understand the impacts and policy trade-offs of climate strategies. In this regard, Ministers and Institutional Partners gave their strong support to the work of the Coalition.

In the second session on multilateral approaches to carbon pricing, the discussion centered on carbon pricing's effectiveness in meeting the Paris Agreement goals and its ability to mobilize revenue resources capable of closing the fiscal gap resulting from the recent period of economic contraction. The discussion also emphasized the importance of international coordination when it comes to the establishment of carbon

pricing instruments. In discussing the acceptability of explicit carbon pricing instruments, key issues discussed included safeguarding stakeholder participation through the implementation phase, and simplifying rules to reduce administrative complexity. The need to preserve equity in the allocation of tax burdens and redistribution of resources was also emphasized as an integral part of a sound carbon pricing strategy.

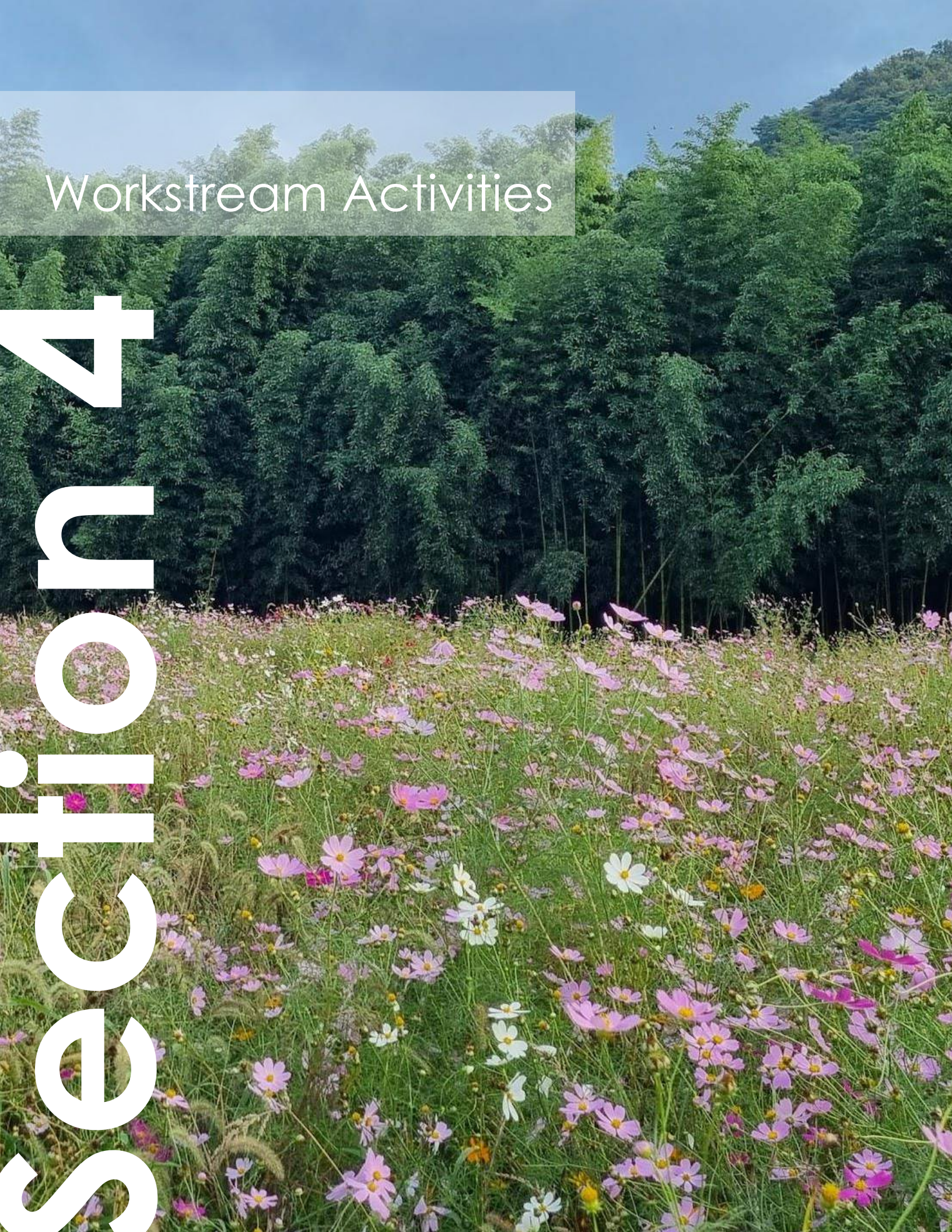
The meeting concluded with [video statements](#) from Members and Institutional Partners. A [Co-Chairs' Meeting Summary and Press Release](#) was published on the Coalition's website after the meeting.



Above: Collage of speakers from the 7th Ministerial Meeting

Section 4

Workstream Activities



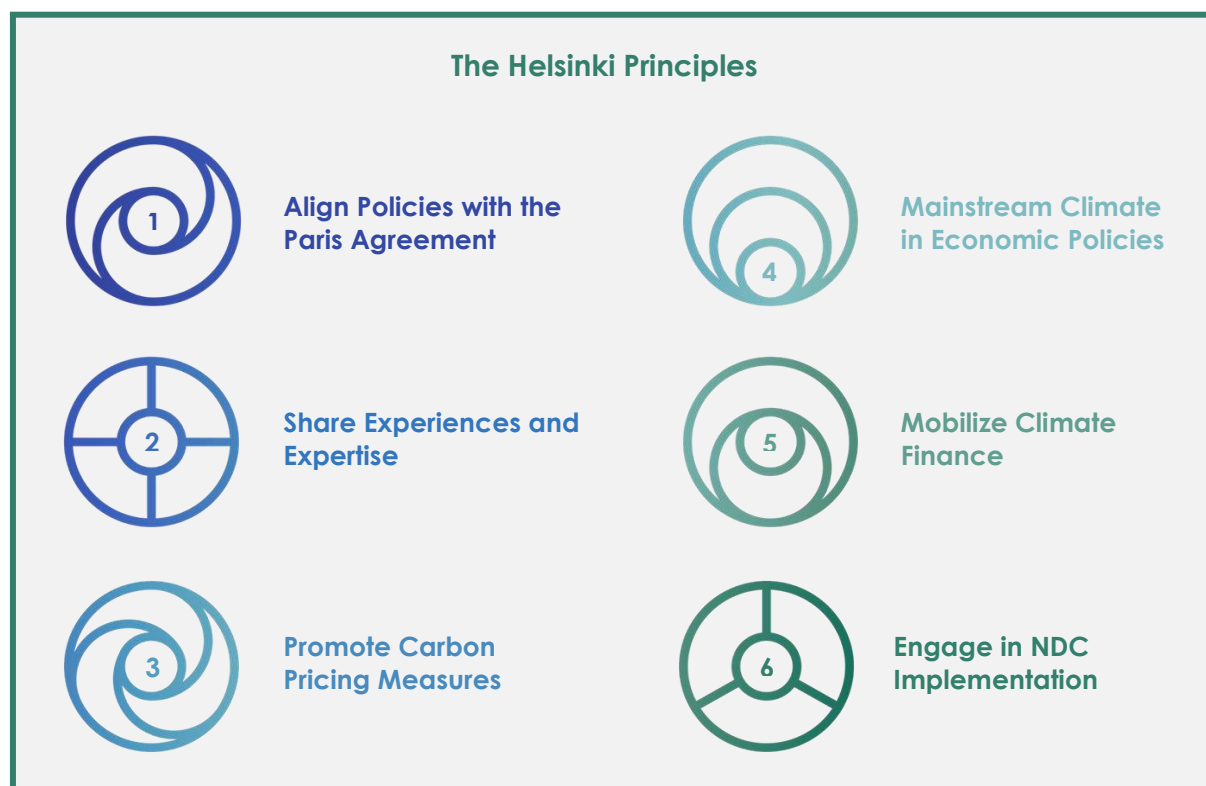
About Helsinki Principle Workstreams

The Coalition's work is organized around six workstreams, each based on one of the six Helsinki Principles. The Helsinki Principles are designed to promote climate action at the national and global level through the use of macro-fiscal-finance policy. The principles are aspirational; they are non-binding and not listed in any order of priority.

Each workstream is led by one to three Country Leads and is further supported by a Workstream Coordinator working as part of the Secretariat. Some workstreams further organize their work around working groups. The activities organized by Helsinki Principle workstreams include workshops, training events, technical discussions, fora for experience sharing and the dissemination of country case studies, stakeholder dialogues, and the publication of reports and papers.

Apart from activities within the Helsinki Principle workstreams, some of the Coalition's work cuts across all Helsinki Principles, especially on the topics of adaptation, energy transition, and green recovery.

The activities for each workstream in 2023 will be formally laid out in the 2023 Work Programme, which will be published in late-2022 or early-2023.





Helsinki Principle 1

Align our policies and practices with the Paris Agreement commitments

2022 Country Leads



Jamaica



Spain



Uganda

At COP21, Parties to the United Nations Framework Convention on Climate Change (UNFCCC), adopted the Paris Agreement and agreed on the goal to limit global warming to well below 2 degrees Celsius compared to pre-industrial levels, and ideally to 1.5 degrees Celsius. Ministries of finance have a critical role to play in achieving this goal by designing fiscal, economic, and planning policies and measures to facilitate a just and affordable transition towards climate neutrality.

2022 has been a productive year for the Helsinki Principle 1 workstream. With respect to leadership, Jamaica joined Spain and Uganda as the country co-leads for this workstream. The technical work was significantly supported by Sitra, the Finnish Innovation Fund, which is one of the Coalition's Institutional Partners.

In February, the Coalition Secretariat together with Sitra organized a workshop on *How to Scope Fiscal Impacts of Long-term Climate Strategies*. The workshop explored the importance of assessing the fiscal impacts of long-term strategies to enable finance ministries to a) promote sustainable economic policies, b) prepare and adjust for potential major changes, and c) maintain budget sustainability in this dynamic environment.

Following this workshop, a [report](#) with the same title was developed on improving fiscal impact assessments and potential ways forward for finance ministries. It compiles information and experiences on a) the main impact channels of the transition on fiscal balances; b) current national and academic studies analyzing climate strategies' fiscal impacts and their research approaches, and c) existing modelling tools and their trade-offs.

For the remainder of 2022, the workstream will follow developments in international climate change negotiations—specifically at COP27, to be held from November 6-18 in Sharm el-Sheikh, Egypt—to ensure relevance and alignment of work between the Coalition and the international climate change process.

Looking ahead to 2023 and in collaboration with Institutional Partners and Members, the Helsinki Principle 1 workstream intends to continue its analytical work, including developing tools and compiling resources for Members to better understand the economic impacts of climate change, including through the assessment of the fiscal impacts of medium- and long-term strategies in sectors. This priority aims to ensure that economic and financial policies support national efforts to achieve global climate change commitments, and are aligned with the Paris Agreement.

In addition, the workstream could look into crosscutting areas, emerging issues, and developments within the international climate change process and their relevance to finance ministry policies, processes and practices. This priority aims to bridge the gap between climate policy and finance, increase awareness and common understanding of international climate-related terms and definitions, and improve understanding of relevant emerging ideas and decisions in finance ministry policy, process and practice.

Events held under Helsinki Principle 1

Event title	Date	Presenter/s
1. Workshop: Scoping Fiscal Impacts of Long-term Climate Strategies	Feb 1, 2022	Sitra



2

Helsinki Principle 2

Share our experience and expertise with each other in order to provide mutual encouragement and promote collective understanding of policies and practices for climate action

2022 Country Leads



Finland



Rwanda

Learning is a significant part of the Coalition's daily activities and workshops. In this regard, the Coalition's [2022 Work Programme](#) outlined a number of priorities for the Helsinki Principle 2 workstream, including: 1) developing a guide for Finance Ministers on mainstreaming climate action; 2) facilitating Members' capacity building in the various areas of the Helsinki Principles, and 3) designing and launching a tailored training program in collaboration with Institutional Partners on priority areas, building on what is already available (as identified by the 2021 mapping exercise). Progress has been made in all these areas.

In February 2022, the HP2 workstream published the report, [Strategies for Mainstreaming Climate Action in Ministries of Finance: Governance, Capacities, and Research Practices](#). The report assesses the current capacity of finance ministries to address climate change and mainstream climate action, largely based on surveys of Members, findings from workshops, and country cases. The paper also outlines concrete steps that could be taken to enhance capacity, including mapping existing options, boosting training programs, and expanding cooperation and engagement with Institutional Partners.

In April 2022, Ministers at the 7th Ministerial Meeting endorsed the HP2 plan to launch a [training program](#). The first phase focuses on sharing existing training courses and other capacity building opportunities with Coalition Members, especially those developed by the Coalition's IPs. As a first step, the IMF launched an online training module tailored to finance ministry officials and economic policy experts. The development of the Coalition's Member Portal also provides an important platform for learning in addition to being an information depository for Members. In 2023, the program will shift focus to developing new training programs and courses tailored to the needs and capacity gaps of Coalition Members.

Earlier in the year, the workstream, supported by the Grantham Research Institute, began work on a practical guide on how ministries of finance can step up climate action. The report will be based around a proposed Framework for Climate Action and Investment that connects the six Helsinki Principles, and will include a diverse set of practical case studies and highlight cost-effective entry points. Key topics covered will include issues such as diplomacy and collaboration (particularly with Environment Ministries), mapping of key activities for finance ministries on climate, organization and governance, the role of institutional frameworks and regulation, and carbon footprints of internal finance ministry operations. The authors have convened a senior experts group and conducted consultations with 15 Coalition Member countries to gather inputs for and strengthen the report. The first contribution is expected before the Coalition's meeting in COP27.



Helsinki Principle 3

Work towards measures that result in effective carbon pricing

2022 Country Leads



Ecuador



Sweden

Working Groups

1) Carbon Taxation



Sweden

2) Fossil Fuel Subsidies



Ecuador



Indonesia

3) Emissions Trading Schemes



Uruguay

4) Border Carbon Adjustment Mechanisms



Finland

With large gaps remaining to achieve the Paris Agreement's mitigation targets, the Coalition has identified carbon pricing as a powerful tool in a country's policy mix, alongside regulatory measures, energy market reforms, and fossil fuel subsidy reforms.

Carbon pricing was explored in-depth throughout the year and in particular during two pre-ministerial workshops held respectively on Emissions Trading Schemes (ETs) and multilateral approaches to carbon pricing. Member countries such as Canada and the Netherlands shared their national experiences implementing carbon pricing and phasing out fossil fuel subsidies. Major initiatives such as the EU's Carbon Border Adjustment Mechanism (CBAM), and proposals to establish a Carbon Club and an International Carbon Price Floor were also discussed.

These workshops laid the groundwork for the discussion finance ministers had in April at the Coalition's 7th Ministerial meeting on the theme of

carbon pricing and the current energy crisis, and for a ‘state of play’ paper on the coordination of international carbon pricing mechanisms that will be published in Q4 2022. A second paper is expected to be released in 2022 on the mechanics of the recently proposed Border Carbon Adjustment measures. The paper assesses how these instruments may come into play with other carbon pricing instruments, and addresses potential impacts on third states.

While carbon taxation is considered the most cost-effective way of reducing emissions, its distributional impacts need to be carefully considered as highlighted during a seminar organized with the Korea Development Institute (KDI). The examples of Korea and France showed that public opposition to carbon taxes often prove to be one of the main obstacles to their implementation, but that support for a carbon tax frequently increases when at least some of the collected revenues go towards green expenditures.

On the opposite side of the spectrum, the event co-organized by the Canadian Ministry of Finance showcased how two explicit carbon pricing instruments (carbon taxation and ETSs) can complement each other to build a solid national carbon price. The Canadian example demonstrated how federal and provincial regulatory frameworks can reinforce one another, while providing flexibility for the provinces to adopt the most suitable instrument according to their industrial landscape.

The Coalition also organized for the first time a peer-to-peer capacity building workshop between Rwanda and Sweden, which was held under the Helsinki Principle 3 workstream. The event enabled Rwanda to explore pathways to implement a carbon tax and harness public support, while Sweden shared its experience implementing its national model for carbon taxation. Building on this, the workstream will hold a training session on the jointly developed World Bank-IMF Climate Policy Assessment Tool. The tool allows for the rapid estimation of the impacts of carbon pricing and fossil fuel subsidy reforms on energy, emissions, prices, revenues, GDP, distributional aspects, and social development.

Finally, it is expected that the Coalition will host a workshop in Q4 2022 to support Members’ understanding of Article 6 of the Paris Agreement. HP3 has invited the Global Green Growth Institute (GGGI) to host a session on the difference between voluntary carbon markets and Article 6 markets, and explore current issues influencing prices and risks associated with these growing markets.

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Strengthening a broad green agenda is made all the more urgent by recent events, most notably supply disruptions and the war, that have considerably affected energy prices and the development of renewables.

We need an integrated strategy for our ecological and energy transitions, given that economic performance, financial stability and environmental sustainability are strictly intertwined.

We therefore welcome the significant work of the Coalition in examining the main instruments to support a sustainable economy and the achievement of our net zero objectives.

”

Daniele Franco

*Minister of the Economy
and Finance,
Italy*

Events held under Helsinki Principle 3

Event title	Date	Presenter/s
1. Workshop: Conceptualization and Quantification of Fossil Fuel Subsidies in the Netherlands	Oct 28, 2021	Netherlands
2. Workshop: Pan-Canadian Approach to Pricing Carbon Pollution	Feb 17, 2022	Canada
3. Pre-Ministerial Workshop: Emissions Trading Schemes	Mar 15, 2022	UK, Korea, and Mexico
4. Pre-Ministerial Workshop: Multilateral Approaches to Carbon Pricing	Mar 23, 2022	Grantham, European Commission, IMF, World Bank, Germany, OECD
5. Workshop: How to Improve Public Support for Carbon Taxation	Apr 7, 2022	Korea Development Institute
6. Peer-to-peer Capacity Development: Carbon Taxation	May 19, 2022	Sweden, Rwanda
7. Workshop: Uruguay's Experience Phasing Out Fossil Fuel Subsidies	Jul 26, 2022	Uruguay



Helsinki Principle 4

Take climate change into account in macroeconomic policy, fiscal planning, budgeting, public investment management, and procurement practices

2022 Country Leads



Denmark



United States

Working Groups

1) *Climate-Smart Public Management*



United States

2) *Macroeconomic Modeling*



Denmark

Addressing climate change requires a coordinated approach across government. Center of government, planning, and finance agencies are well placed to convene other government agencies and ensure they take climate change into account when formulating and implementing policy. The Helsinki Principle 4 workstream helps Members mainstream climate change in policy planning, budgeting, public investment management, and public procurement processes.

Under the leadership of Denmark and the US, the Helsinki Principle 4 workstream published a report in February 2022 titled, [*Driving Climate Action Through Economic and Fiscal Policy and Practice*](#). The report draws on experiences and practices from Member countries, and includes a curated list of frameworks, guidance, and tools to support finance ministries in mainstreaming climate change in economic and fiscal policy and practice. The workstream organized a launch event for the report in June 2022, which served as a platform for experience sharing between Institutional Partners and Coalition Members.

Recognizing the critical role of ministries of finance in responding to climate change, the HP4 workstream hosted a workshop titled, *Using Economic Tools to Adapt and Build Resilience to Climate Change*, in June 2022. The interactive session emphasized the need to integrate the

impacts of climate change and associated risks into macro-fiscal decision-making.

Responding to growing Member interest on the topic of adaptation, HP4 worked closely with the adaptation workstream to provide Members with guidance around climate change adaptation, particularly in the context of disaster risk management, disaster risk financing, and the identification and assessment of climate-related fiscal risks.

HP4 will continue to work closely with other Helsinki Principle workstreams on areas of overlap—such as Paris Agreement alignment (HP1), mobilizing finance (HP5), and NDC development (HP6)—to leverage latest developments from Institutional Partners and Members on how to create an enabling economic and financial environment for finance ministries to deliver credible commitments. It will also build on the progress made thus far on macroeconomic modeling to identify and reduce government fiscal risks.

Events held under Helsinki Principle 4

Event title	Date	Presenter/s
1. Workshop: Virtual Meeting on Green Budgeting	Oct 7, 2021	OECD/Paris Collaborative
2. Workshop: Natural Capital Accounting - Relevance for Finance Ministries and Mobilizing Finance for Nature (Joint HP4/HP5)	Nov 18, 2021	HP4/HP5, World Bank, UN SEEA
3. Workshop: Sovereign Climate and Nature Reporting (Joint HP4/HP5)	Feb 10, 2022	World Bank, IPSASB
4. Workshop: Joint World Bank and Coalition Technical-Level Climate-Smart Public Investment Management in Africa Workshop Series	Apr 4-7, 2022	World Bank
5. Roundtable and Report Launch: Driving Climate Action Through Economic and Fiscal Policy and Practice	Jun 16, 2022	World Bank, IMF, Denmark, United States
6. Workshop: Using Economic Tools to Adapt and Build Resilience to Climate Change	Jun 27, 2022	World Bank, IMF, Denmark, United States

Helsinki Principle 5

Mobilize private sources of climate finance by facilitating investments and the development of a financial sector which supports climate mitigation and adaptation

2022 Country Lead



United Kingdom

Working Groups

1) Sustainable Finance Roadmaps



Luxembourg



Mexico

2) Financial Stability and Supervision



United Kingdom

3) Financial Guidelines and Regulation



Netherlands

4) Green Bonds and Other Financial Instruments



Ireland



Kenya

5) Blended Finance and Adaptation



Luxembourg

The Helsinki Principle 5 workstream aims to help Members mobilize private sources of climate finance by facilitating investments and the development of a financial sector which supports climate mitigation and adaptation. During the reporting period, the HP5 workstream published two reports, organized four workshops, and held three stakeholder dialogues.

HP5's work continues to be organized into five sub-workstreams: Sustainable Finance Roadmaps (led by Luxembourg and Mexico), Financial

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The international community must continue its action against climate change even with the complex crises the global economy is facing.

Through the Coalition, Korea has shared its net-zero policy agenda with the world, and will continue to do its part to ensure sustainable growth and future.

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Choo Kyung-ho

*Deputy Prime Minister
of the Ministry of
Economy and Finance,
Republic of Korea*

Stability and Supervision (led by the UK), Financial Guidelines and Regulation (led by Switzerland), Green Bonds and Other Financial Instruments (led by Ireland and Kenya), and Blended Finance and Adaptation (led by Luxembourg, Rwanda, Indonesia and Mexico).

HP5 identified many key policy-relevant takeaways over the last 12 months, including on the development of sustainable finance roadmaps, climate and nature-related financial reporting, private sector Paris alignment, and the need for ministries of finance to develop policies at the climate-nature nexus in order to manage climate and nature-related risks holistically. HP5 also held many workshops at the working level with external experts, such as with representatives of the International Sustainability Standard Board (ISSB) on financial reporting.

In November 2021, in advance of COP26, the workstream published a report titled, [*An Analysis of Sustainable Finance Roadmaps: Charting the Path to Financial System Transformation*](#), together with UNDP Financial Centers for Sustainability. In June 2022, the workstream published, [*An Overview of Nature-Related Risks and Potential Policy Actions for Ministries of Finance: Bending the Curve of Nature Loss*](#), which benefitted from technical input from the World Bank. The findings from the latter report were presented in a workshop that also included presentations from the NGFS, one of the Convention on Biological Diversity co-chairs, and a representative from the Finance for Biodiversity Pledge. In June 2022, the Climate Policy Initiative (CPI) published a report that the HP5 workstream provided substantial input on, Private Financial Institutions’ Paris Alignment Commitments: 2022 Update. This report builds on previous CPI and HP5 research. These publications are part of workstream effort to track and bridge the gap between the private financial sector, public policymakers, and the financial needs of the climate transition.

Looking ahead, the workstream aims to deliver two additional reports in Q4, 2022, working with external organizations: Guide for Ministries of Finance: How to Mobilize Private Investment through Blended Finance (authored by Convergence), and Private Financial Institutions’ Commitments to Paris Alignment: Recent Developments and Takeaways for Ministries of Finance (authored by CPI). A collaborative process will again be taken to develop the workstream’s 2023 work program, which will include some new topics in addition to deeper work on the topics covered in 2022.

Events held under Helsinki Principle 5

Event title	Date	Presenter/s
1. Workshop: The Role of Ministries of Finance in Driving Resilient Investment and Investment in Resilience	Oct 7, 2021	HP5 Leads
2. Workshop: Natural Capital Accounting - Relevance for Finance Ministries and Mobilizing Finance for Nature (Joint HP4/HP5)	Nov 18, 2021	HP4/HP5, World Bank, UN SEEA
3. Stakeholder Dialogue with Credit Rating Agencies	Jan 20, 2022	Finland, World Bank
4. Workshop: Sovereign Climate and Nature Reporting (Joint HP4/HP5)	Feb 10, 2022	OECD/Paris Collaborative
5. Stakeholder Dialogue on Sustainability Reporting	Apr 14, 2022	ISSB, TNFD
6. Workshop: Developing Approaches to Financing the Energy Transition – Lessons from South Africa (with the Adaptation workstream)	May 18, 2022	Indonesia, South Africa, Brookings, ADB, World Bank
7. Workshop and Report Launch: Bending the Curve of Nature Loss: Nature-Related Risks and Potential Policy Actions for Ministries of Finance	Jun 7, 2022	UK, NGFS
8. Stakeholder Dialogue on Private Financial Institutions' Commitments to Paris Alignment - Recent Developments and Takeaways for Ministries of Finance	Sep 28, 2022	Climate Policy Initiative



Helsinki Principle 6

Engage actively in the domestic preparation and implementation of Nationally Determined Contributions (NDCs) submitted under the Paris Agreement.

2022 Country Lead



Rwanda

In 2022, the Helsinki Principle 6 workstream continued to assess and share experiences on the role and engagement of ministries of finance in the updating, enhancement, and implementation of NDCs. Rwanda also took country leadership of the HP6 workstream from Jamaica and Uganda.

At the Coalition's 7th Ministerial Meeting in April 2022, Ministers stressed that long-term approaches to economic recovery must address climate change front-and-center to enable the green transition. Parties to the United Nations Framework Convention on Climate Change (UNFCCC) are now focused on national-level commitments to transition their economies towards a low-carbon and climate-resilient growth model, despite the persistent negative consequences brought by the COVID-19 pandemic and joint food and energy crises. As countries submit their updated or enhanced NDCs, the voluntary submission of long-term strategies is increasingly gaining prominence in the international climate process. Long-term strategies provide a vision and direction for future development, and in doing so place NDCs in the context of long-term planning and development priorities.

Building on the 2020 HP6 report, Ministries of Finance and Nationally Determined Contributions – Stepping Up for Climate Action, analytical work is currently being undertaken on the critical role of ministries of finance in the development and mainstreaming of NDCs. This analytical work aims to examine the role that finance ministries are already playing in the context of NDC planning and implementation. It draws on the results of a Coalition Member survey, as well as case studies and country experiences, and highlights lessons learned and good practices. This analytical work also attempts to provide a more comprehensive understanding of NDCs and their linkages to the economic policy context, with a focus on macroeconomic modelling, costing, and public financial management.

Looking ahead to 2023, the Helsinki Principle 6 workstream plans to provide Members with further analytical work on NDCs and long-term strategies, complemented by targeted capacity building activities, putting into practice issues such as roadmap/action plan development and the implementation of NDCs in sectors, NDC financing plan development, public and private resource mobilization, and long-term strategy planning and development.

Events held under Helsinki Principle 6

Event title	Date	Presenter/s
1. Workshop: Survey Findings - Engagement of Finance Ministries in NDC Preparation and Implementation	Oct 25, 2021	NDC Partnership, World Bank

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As an inclusive, non-normative and member-led forum, the Coalition plays a unique role in increasing knowledge about the tools available to finance ministers to combat climate change.

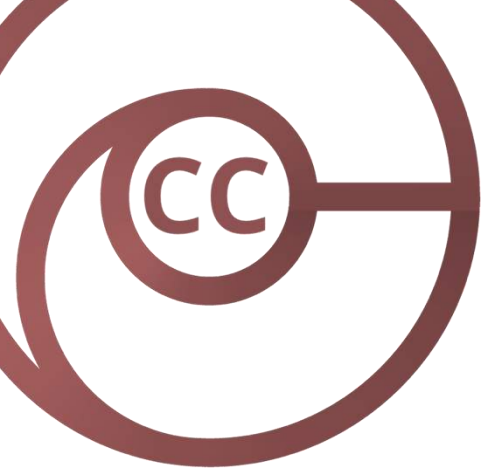
In their capacity to influence taxation, fiscal policy, the financial sector and more, the contribution of finance ministers to finding solutions for today's climate challenges is indispensable.

”

Sigrid Kaag

*Deputy Prime Minister
and Minister of Finance,
Netherlands*





Cross-Cutting Work

While the six Helsinki Principle workstreams provide the framework for most of the Coalition’s activities, there are some important areas of work that cut across all workstreams. In 2022, the Coalition focused on three cross-cutting areas: green recovery, adaptation, and green transition and energy.

Green Recovery

In 2021, two Institutional Partners—the Brookings Institution and the Grantham Research Institute on Climate Change and the Environment—were engaged to produce a report on the current state of green recovery efforts with key findings and recommendations. The report, titled [*Building Momentum for a Strong Recovery and Sustainable Transformation*](#), was published in November 2021, and served as a follow-up to the 2020 green recovery report, [*Better Recovery, Better World: Resetting Climate Action in the Aftermath of the Covid-19 Pandemic*](#).

The report was largely based on a comprehensive Member survey launched in February 2021. In addition, data from the Oxford Global Recovery Observatory, the OECD Green Recovery Database, and the G7 Stern report served as key inputs, as well as substantive work on green recovery by Institutional Partners such as the OECD, World Bank Group, and IMF.

Some key findings of the November 2021 report include:

- Coalition Members are in the midst of a divergent and protracted recovery. While advanced economies have demonstrated their great fiscal firepower and have implemented large stimulus and recovery packages, most low and middle-income countries have not been able to enact stimulus measures and investment-led recovery plans of sufficient scale.
- The share of green spending in the total fiscal response to the pandemic has been rising over time, particularly in advanced countries. Still, only a small share of spending to date has been “green”; much of it has actually sponsored further fossil-fuel use through the subsidization of brown industries.
- Countries need to increase the quantity, quality, and greenness of their public spending to ensure a green transformation to keep them on track to reaching the Paris Agreement goals.
- To strengthen recovery efforts and achieve a sustained transformation, countries will need a supportive macro-fiscal and policy framework that can incorporate the environmental cost of doing business into goods and services, while fostering the use of clean energy through a robust energy transition program. This

would involve the timely phasing out of harmful fossil fuel subsidies and managing debt over the medium term.

- Concerted efforts to mobilize the scale of financing that will be needed, not just for recovery but for sustained transformation. There is a big finance gap that needs to be filled if countries are to achieve a green and resilient recovery and net-zero targets.

Adaptation

Prior to this year, different Helsinki Principle workstreams have touched separately on various aspects of climate change adaptation. In 2021, Coalition Members identified a growing need to share and discuss adaptation policies, financing strategies, and regional challenges in a more comprehensive way.

At the time of the 7th Ministerial meeting in April 2022, a side event on adaptation brought together interested Coalition Members and Institutional Partners to a) identify key adaptation issues for ministries of finance, b) discuss adaptation strategies and national approaches from a macroeconomic and financial policy angle, c) consider policies on mobilizing adaptation finance, and d) b) develop an action plan for the Coalition on the adaptation agenda. One of the key recommendations from this meeting was that a whole-of-government approach to adaptation and resilience is needed, with the foundations being fiscal space for contingency planning and inclusive growth policies.

As a follow-up to the meeting, Members were surveyed about the main adaptation challenges they are facing and the current and planned actions their Finance Ministries are taking to respond. A note based on the April event and the follow up survey is being prepared in view of COP27 in November 2022, which will propose key adaptation-related priorities for finance ministries and the Coalition.

Looking ahead to 2023, the Coalition's adaptation-related work will seek to raise awareness about the impact of adaptation on public finances and the economy, share good practices and experiences on addressing adaptation challenges, guide Members on accessing adaptation finance, and discuss how private sector adaptation finance can be mobilized.

Green Transition and Energy

Due in part to rising geopolitical uncertainty and the global energy security crisis, Members expressed an increasing interest in the topic of the green transition in the first half of the year, with a focus on energy transition. This first Coalition event on the topic in May 2022 provided an overview

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Scaling up adaptation finance and investment remains a priority, as reflected by the growing importance of adaptation in the Coalition's work. This is why, at the EIB, we have committed to a three-fold increase of our adaptation finance in the next few years.

We will foster our partnership model around smarter and more systemic adaptation, and by taking more risk in the adaptation projects we finance.

”

Werner Hoyer

*President,
European Investment
Bank*

and introduction to the issue, highlighting its importance within the current macro-political context and exploring the role Ministries of Finance can play to support the energy transition agenda. Around 100 participants joined the virtual meeting from all over the world.

The workshop was structured in three parts: framing presentations, country experiences, and discussions on next steps. Four areas where the Coalition could add value to Members were outlined: 1) conducting further research on the policy mix that will be needed for the energy transition, and for which Ministries of Finance can play a coordinating role; 2) engaging with the Glasgow Financial Alliance for Net Zero (GFANZ) on the partnership with the private sector; 3) exploring deep dives of country experiences; and 4) launching a series of technical workshops. A summary note of the event was published.

Further work on the green transition took place in the lead-up to the 8th Ministerial Meeting. Since, the energy sector makes up such a large share of total greenhouse gas emissions, the energy transition is an integral component of the broader green transition. In the lead-up to the Ministerial, which is scheduled for October 12, 2022, a green transition Member survey was conducted. The survey responses fed into a green transition issue note and subsequent preparatory workshop. More work on this cross-cutting topic is expected in 2023.

Cross-Cutting Events

Event title	Date	Presenter/s
1. “Better Recovery, Better World 2.0”: Presentation of Findings and Roundtable Discussion	Oct 25, 2021	Brookings, Grantham Research Institute
2. Workshop: Climate Change Adaptation and the Role of Finance Ministers	Apr 20, 2022	Egypt, UK, WRI, World Bank, IMF, Brookings, UNDP, GCF, EIB
3. Workshop: Developing Approaches to Financing the Energy Transition – Lessons from South Africa (with HP5)	May 18, 2022	Indonesia, South Africa, Brookings, ADB, World Bank
4. European Regional Meeting on Energy Transition	May 31, 2021	EBRD, EIB, NIB





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We have identified carbon pricing as the key policy tool in climate action. Now is the time to use this and other tools for our benefit. In the Coalition, we have discussed carbon pricing intensively and the momentum for initiating reforms is high. At the same time, some countries may currently be facing short-term challenges that could lead to temporary setbacks in the green transition process.

Therefore, designing credible medium- and long-term strategies for economic recovery and the green transition is crucial. Such plans should include assessments of how we will finance the green transition, and how we can ensure the stability of public finances as part of energy security.

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Annika Saarikko

*Minister of Finance,
Finland*

Position

Impact





Our Achievements

In its first three years, the Coalition has already made a significant impact on our Member countries and on the broader climate-finance space. Some of our main achievements to date are as follows:

1. The Coalition has **raised climate action in finance ministers' agendas**. The Coalition has also highlighted the need for accelerated climate action through discussions with international organizations and multilateral forums such as the G20 and the UN.
2. **Coalition Ministerial meetings have become high-profile events**, gathering together finance ministers and leaders of international institutions. Political engagement is strong.
3. The Coalition has **provided a unique forum for discussion and peer support** for both Member countries and Institutional Partners. Through the Coalition, Institutional Partners have found ways to collaborate, share information, and explore how they can best help ministries of finance accelerate climate action.
4. The Coalition has **brought attention to the critical role of finance ministers** in national and global climate action. The growing number of Members demonstrates the increasing importance of addressing climate change for finance ministries, and how new skills in ministries are needed.
5. Many Member countries have begun or expanded work on climate issues since joining the Coalition, often through the framework of the Helsinki Principles. Some have even **incorporated Helsinki Principles into domestic legislation**.
6. The Coalition has **taken finance ministers to UNFCCC COPs as a united group** to discuss the role of finance and ministries of finance in achieving the Paris Agreement goals.
7. The Coalition has become an **important learning platform for finance ministries**, and has taken first steps to developing a comprehensive training programme together with its Institutional Partners.
8. As a non-political body, the Coalition is one of the only global climate platforms where each country's unique circumstances are respected. The Coalition has been able to offer **common direction** as it requires unanimity among Members for all its statements.



