

Annual Report 2023

Map of Coalition Members

(as of December 2023)



List of Coalition Members

Andorra	Cyprus	Indonesia	Morocco	Slovakia
Argentina	Denmark	Iraq	Mozambique	Spain
Australia	Djibouti	Ireland	Namibia	Sri Lanka
Austria	Dominican Republic	Italy	Netherlands	Sweden
Bahamas	Ecuador	Jamaica	New Zealand	Switzerland
Bahrain	Egypt	Japan	Nigeria	Tonga
Bangladesh	Equatorial Guinea	Kazakhstan	North Macedonia	Uganda
Belgium	Estonia	Kenya	Norway	Ukraine
Botswana	Eswatini	Korea, Republic of	Pakistan	United Kingdom
Brazil	Ethiopia	Kyrgyzstan	Panama	United States
Burkina Faso	Fiji	Latvia	Paraguay	Uruguay
Cabo Verde	Finland	Lithuania	Peru	Uzbekistan
Cambodia	France	Luxembourg	Philippines	
Cameroon	Germany	Madagascar	Poland	OBSERVERS
Canada	Ghana	Malaysia	Portugal	China
Chile	Greece	Maldives	Rwanda	Laos
Colombia	Guatemala	Marshall Islands	Serbia	Thailand
Costa Rica	Honduras	Mexico	Seychelles	UAE
Côte d'Ivoire	Hungary	Monaco	Sierra Leone	Viet Nam
Croatia	Iceland	Montenegro	Singapore	

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Letter from the Co-Chairs

Reflecting on the past twelve months, we have experienced a pivotal period marked by the welcoming of new members and increased engagement through diverse activities. The transition from the capable leadership of Finland to the dynamic stewardship of the Netherlands with Indonesia, initiated the crafting of the first joint Co-Chair Strategy for 2023-2025. This strategy places a determined focus on impact, results, and meticulous measurement towards our introduced Theory of Change (ToC). Our collective goal extends beyond mere engagement; we are committed to delivering tangible results and concrete impact, steering towards a more sustainable and resilient future.

Throughout the previous term, the Coalition has experienced substantial growth and diversification. The addition of new members has broadened our reach, infusing fresh perspectives and expertise. This inclusivity has fueled a surge in activities, spanning focused workshops to comprehensive events exploring the nuanced facets of climate finance and action. Notably, the Climate Action Statement (CAS), presented for the first time in 2023, has evolved into a cornerstone event, amplifying our collective impact on the global stage.

In tandem with this transition, the Secretariat has undergone strategic changes to enhance operational efficiency and better cater to the evolving needs of the Coalition's members. The Secretariat's unwavering commitment to transparency, responsiveness, and innovation has been reflected in numerous events and workshops held throughout the year. The launch of our LinkedIn page has further enriched our online presence, facilitating enhanced communication and collaboration within the Coalition.

Complementing our commitment to impact and results, we have prioritized operational and organizational improvements. These enhancements aim to streamline processes, foster collaboration, and ensure the Coalition remains agile and responsive in the face of evolving challenges. The meticulous attention to detail in our organizational and operational framework underscores our dedication to continuous improvement, setting the stage for a future marked by even greater achievements, which is our goal for next year.

This year, characterized by heightened geopolitical tensions, necessitates further structural transformation in our cooperation methods. As we embark on this new phase, let us do so with a shared vision, renewed vigor, and an unwavering commitment to delivering impactful results that resonate across borders, echoing our dedication to a sustainable and resilient future for all.

Warm regards,



Steven van Weyenberg
*Minister of Finance,
The Netherlands*



Sri Mulyani Indrawati
*Minister of Finance,
Indonesia*

Letter from the Secretary

The Coalition of Finance Ministers for Climate Action is a rather unique body. As a collective, its main impact area is among members, not among the collective.

Its member-driven nature poses another challenge: as all members are equal, how to ensure equity among members' participation, as countries have different capacities.

Building, solidifying and sustaining the Coalition requires both constant innovation and devoted support from all parties, including the institutions that are committed to supporting the venture. The year 2023 was a year for making pronounced progress in all those areas.

Building and developing the Coalition's core work structures meant that by spring 2023, all Coalition priority working areas were having functioning working groups, backed by the logistical support from the Secretariat, and with participation of the Institutional Partners. That, however, stretched the Secretariat's resources and amplified the need to build more permanent support structure for the Coalition – a task that the new Co-Chairs duo took on with a sense of purpose, and hosting institutions, the World Bank and the IMF, reacted to with understanding and support. The Coalition's Secretariat functions, and distinct role was anchored in a new and dedicated Operations Manual (available [online](#)), expanding the existing Memorandum of Understanding between the WB/IMF and the Coalition.

As a result, **solidifying** the support structures for the Coalition Secretariat will be furnished with staff on longer term, more permanent contracts, and tasking solely towards the Coalition. Funding contributions from members may now be made directly to a firmly placed Trust Fund Window dedicated solely to the Coalition. That provides a solid foundation for the Coalition's activities for a period of time.

Innovation is a standard operating principle for a non-standard collective the Coalition is. The Climate Action Statement succeeded in giving the Coalition a common voice while respecting its member-center ethos. And when Co-Chairs introduced new formats for both communicating in the Sherpas network and for conducting the Ministerial meetings, it was met with broad support from the membership.

The innovation steered towards **sustaining** the Coalition's momentum and maximizing its effectiveness in bringing on further challenges, many of them rather pleasant than problematic. The Coalition's voice is increasingly invited to contribute to the global climate concert, both separately and through the UN systems. Fitting the Coalition's unique role in the COP's diverse kaleidoscope is an increasing demand that the Coalition should and surely can perform.

The Secretariat continues to serve the Coalition, appreciating the trust from the Co-Chairs and the membership, which is expressed in the fact that four out of five members are very satisfied with our work. We know we can do even better.



Mart Kivine,
*Secretary of the Coalition
of Finance Ministers for
Climate Action*

Key Results in 2023

During 2023, the Coalition's membership has grown from 81 to 92 member countries.

The Coalition has also expanded its activities and member engagement: from major and growing ministerial level convenings, to many technical workshops across workstreams, monthly virtual Sherpa¹ meetings and (member-led) side events. *See the Activities section and Annex 1.*

During the year, the Coalition organized 49 workshops, of which 10 were held in-person (in Helsinki, Marrakech, Paris, Jakarta, Vienna, Dubai), two Ministerial Meetings and the COP28 Ministerial.

The first in-person Sherpa meeting after the pandemic was organized in Helsinki (*see photo on the right*) – an important milestone in discussing achievements to date, the future role of the Coalition and Finance Ministries in designing climate policies. Moving forward, the Coalition Sherpas plan to convene in-person once a year, preferably in a Co-Chair country.



Release of the Coalition's flagship guide: The Coalition launched its flagship report [Strengthening the Role of Finance Ministers in Driving Climate Action. A Framework and Guide for Ministers and Ministries of Finance](#) (the Guide) during its Spring 2023 Ministerial Meeting. Based on over 140 country case study examples, the Guide offers concrete steps for finance ministers to strengthen their engagement in climate action and efforts towards economically and socially sustainable green transition. *Scan the QR-code for Key Messages for Finance Ministers and Policymakers.*



The Coalition launched an Ambassador Network to proactively expand and showcase the Coalition's offerings to members – including the Guide – whilst leveraging expertise within the Coalition to help share knowledge through peer-to-peer engagement (*see more in Annex 3*).

Increased focus on impact: The Coalition has been shifting its overall focus from activities and outputs to outcomes and impact. In that effort, it has developed its Theory of Change (*Annex 2*). This was also emphasized in the first **Co-Chairs Strategy** for 2023-2025 developed by the Co-Chairs from Indonesia and the Netherlands.

¹ Sherpas are main focal points from each member country, representing their Minister. In early 2024, the term Sherpas has been replaced by the clearer and more neutral term 'Deputies'.

Increased focus on capacity building: In response to needs from members on strengthening climate-related capacity building in ministries of finance, the Coalition launched a dedicated capacity building program with the World Bank: the [Coalition for Capacity on Climate Action](#) (C3A, *see Annex 6 for more information*). Moreover, the Coalition published a first version of the new [Coalition's Capacity Building Catalogue](#), which includes an overview of relevant climate-related capacity building programs of Institutional Partners that are available to member countries' finance ministries.

The Co-Chairs proposed initial operational guidelines for the Coalition Sherpas as the enlarged Coalition requires enhanced frameworks to bring more structure and clarity around its activities. Sherpas endorsed guidelines regarding reforming the Secretariat structure and operating modalities, testing out regional working formats, disseminating the flagship Guide, fundraising under the Coalition auspices, and setting up Coalition-branded events (*see Operational Guidance in Annex 4*).

The Coalition published several papers, including [International Coordination Mechanisms for Climate Change Mitigation](#), [Finance Ministries and Central Banks actions to implement the Global Biodiversity Framework](#), [Capacity Building Catalogue](#) and the [Flagship Guide](#) mentioned above, as well as seven blogs. *See the full list of papers and workshops in Annex 1.*

First Climate Action Statement: For the first time ever, the Coalition presented a collective [Climate Action Statement](#) at its 10th Ministerial Meeting in Marrakech, Morocco. The Statement looks towards future impact to be realized by members of the Coalition, and proudly spotlights 170+ climate actions planned by Coalition members over the upcoming year.

The Coalition held three Ministerial Meetings:

- [9th Ministerial Meeting on April 14 in Washington DC](#), during which the Ministers launched and discussed the Guide on *Strengthening the Role of Finance Ministers in Driving Climate Action*, and discussed their role in transition finance. Pekka Moren (Special Representative of the Minister of Finance of Finland) handed over the Co-Chairmanship to H.E. Sigrid Kaag (Minister of Finance of The Netherlands).
- [10th Ministerial Meeting on October 11 in Marrakech](#), where the Ministers released the first Climate Action Statement. The Ministerial Meeting discussed greening the financial system, and what concrete actions members are taking to establish climate-related disclosures, conduct climate-related financial risk assessments, and close the climate investment gap.
- [COP28 Ministerial meeting on December 4 in Dubai](#), during which the Ministers discussed their role in mobilizing public and private climate finance to drive progress toward the Paris Agreement commitments. The discussion was useful in sharing experiences and informing the Coalition's 2024-2025 Strategic Work Program, along with the reinforcement of partnerships.

Increased social media presence and strengthened communications: The Coalition notably enhanced its visibility on social media by establishing a [LinkedIn page](#) with over 1,700 followers in its first months. In addition to numerous press releases, concise event and report summaries, infographics, and event notifications, the Coalition undertook its first social media campaign. This campaign featured bespoke [social media cards](#) that showcase the actions of individual finance ministers linking back to the Coalition's Climate Action Statement.

Impact

Since its establishment in 2019, the Coalition has already had a significant impact in our member countries and on the broader climate finance space. Some of our main achievements include:

1. The Coalition has both **raised climate action in finance ministers' agendas** and **raised awareness of finance ministers' role** in national and international climate action.
2. Many **members have begun or expanded work on climate** issues since joining the Coalition. Coalition workshops have led to substantive policy changes among ministries.
3. The Coalition's flagship Guide has been shared across various Ministries of Finance by many members, with **implementation of its recommendations underway** among several of them.
4. The Coalition has **proven to be a collaborative forum for both member countries and Institutional Partners** to exchange best practices and common learnings. It is widely considered to be a unique forum where each country's circumstances are respected. The Coalition has been able to offer **common direction** as it requires member unanimity for all its statements and publications.
5. **Coalition's Ministerial Meetings have become high profile events**, bringing together finance ministers and top leaders of international institutions.
6. The Coalition **brings finance ministers to COPs as a growing and united group** to discuss the role of finance and Ministries of Finance in achieving the Paris Agreement goals.
7. The Coalition facilitated the development of the **Coalition for Capacity on Climate Action (C3A)** program, a bespoke and demand-driven initiative (*see Annex 6*).

According to the Coalition's Theory of Change (*Annex 2*) proposed to members in August 2023, **the Coalition sets the following objectives as its desired impact:**

- Mainstreaming of climate change in member Ministries of Finance instruments and policies.
- Mainstreaming of climate change elements in global fiscal and economic policies.
- Increased whole-of-government climate action and increased financing of climate actions by public and private sectors.

Achieving the Coalition's objectives and implementing its work program depends fully on support from members, institutional partners, and other stakeholders in line with the Coalition's mission and vision, solid governance, and sustainable funding for Coalition activities. *See the Coalition's Operational Guidance in Annex 4 and its financials and fundraising in Annex 5.*



Climate Action Statement social media sample post

Activities

Ministerial Meetings

The Coalition held three Ministerial Meetings in 2023:

1) 9th Ministerial Meeting on April 14 in Washington DC

During the meeting on the sidelines of the WB/IMF Spring Meetings, the Ministers launched the Guide on [Strengthening the Role of Finance Ministers in Driving Climate Action](#). The Guide offers concrete steps for finance ministers and ministries to strengthen their engagement in climate action and efforts towards economically and socially sustainable green transition.

The Ministers also discussed their role in transition finance. They acknowledged that the financial ecosystem is not set up to offer the transition finance needed for high carbon-emitting industries and activities to move towards decarbonization – such as coal-fired power generation, steel, cement, chemical, paper making, aviation and construction. Finance ministers noted the importance of well-accepted definition of transition activities, alongside devising credible disclosure and reporting frameworks, and globally accepted registry from carbon-intensive firms to avoid greenwashing. Ministers also recognized their key role in supporting private sector net zero transition, using soft and regulatory power.

Pekka Moren (Special Representative of the Minister of Finance of Finland) handed over the Co-Chairmanship to H.E. Sigrid Kaag (Minister of Finance of The Netherlands). See more information [here](#).

2) 10th Ministerial Meeting on October 11 in Marrakech

During the meeting on the sidelines of the WB/IMF Annual Meetings, the Ministers released the Coalition's first collective [Climate Action Statement](#). The Statement is a forward-looking document showcasing 170+ climate actions (and their impacts) planned by Coalition members over the upcoming year.

The Ministerial discussion focused on the greening the financial system and what concrete actions members are taking to establish climate related disclosures, conduct climate-related financial risk assessments, and close the investment gap by prioritizing climate related financing mechanisms. Members discussed how they plan to discourage greenhouse gas emissions through implementing carbon pricing measures and tax reforms, phasing out fossil fuel subsidies, incentivizing investment in carbon efficient technologies, and focusing on the socially just aspects of the green transition. See more information [here](#).

3) COP28 Ministerial Meeting on December 4 in Dubai

During the meeting at COP28, over 20 Ministers and partners discussed their role in mobilizing public and private climate finance to drive progress toward the Paris Agreement commitments. Members explored various strategies to boost public finance mobilization, including implementing sustainable finance policies, developing green economy fiscal plans, and integrating carbon pricing—despite fiscal constraints. In terms of attracting private sector finance, a range of approaches were emphasized, encompassing support for foreign direct investment, bond issuance, and the implementation of sustainable finance frameworks. Attendees discussed the imperative to shift the paradigm regarding the utilization of financial tools as incentives.

At COP28, the Coalition reinforced its collaboration with the NDC Partnership, by announcing close cooperation to offer support to Ministries of Finance from EMDEs member countries in the process of enhancing Nationally Determined Contributions (NDCs) and Long-Term Strategies (LTSSs) for low-emission development ahead of the UNFCCC's next updating deadline in 2025. See more information [here](#).

Workstream Activities

Coalition workstream activities are organized around six Helsinki Principles (HPs), launched in February 2019, as well as three cross-cutting themes (Adaptation, Nature and Green Transition), added in the past years. **During the reporting period of January to December 2023, Coalition organized 49 workshops, produced four papers and seven blogs.** Below is the summary of the workstream activities, *with details in Annex 1.*



HP 1 and HP 6: NDC coordination and Paris alignment

Objective: Nationally Determined Contributions (NDCs) and Long-Term Low Emission Development Strategies (LT-LEDS) are at the core of a coordinated global response to achieve the Paris Agreement objectives. Ministers of Finance have a unique role to play, given their leading role in economic and fiscal policies and expertise in financial management. Due to the significant overlap in practice between HP1 (Align Policies with the Paris Agreement) and HP6 (Engage in NDC Preparation and Implementation), these two workstreams have been merged into one workstream. **Workstream priorities** were to (i) boost awareness, increase engagement, and facilitate peer-to-peer learning and exchanges on NDCs and LT-LEDS, (ii) propel active Ministry of Finance engagement in the design and financing of NDCs and LT-LEDS, and (iii) host a prominent ministerial dialogue, co-organized with the NDC Partnership and UN, focusing on the pivotal role of Ministers of Finance in updated NDCs and the LT-LEDS.

Countries: Spain, Uganda

Institutional partners: NDC Partnership, European Commission, World Bank

Activities: Workshop [Empowering Climate Action: Ministries of Finance Role in Nationally Determined Contributions and Long-Term Strategies Implementation](#)

Key result: Dissemination of the Coalition's report [Ministries of Finance and Nationally Determined Contributions: Raising Ambition and Accelerating Climate Action](#), highlighting its insights to members and sharing experiences from Uganda, Kenya, Philippines, and the European Union; and reinforcing collaboration with the NDC Partnership.



HP 2: Sharing experiences and expertise

Objective: The role of sharing experiences, identifying best practices, educative training and evidence-based policy research have been identified as key elements in supporting knowledge-based policy planning and decision making. Training needs are strongly linked to institutional capacity building as well as leadership and management in the Finance Ministries, as they need to engage resource, acquire new knowledge and skills on climate economics through a number of sources, and utilize networks of experts. **Workstream priority** was fostering climate mainstreaming in Ministries of Finance (MoF) by sharing experience and expertise amongst members, with a focus on peer-to-peer exchange, to develop practical means, tools, and actions that drive transformative change in administration and governance.

Countries: Finland, Indonesia, Netherlands, Rwanda

Institutional partners: LSE/GRI, Brookings, NDC Partnership, World Bank, WRI, IDB, NIB, UNDP, Commonwealth Secretariat

Activities:

Papers and blogs

- Coalition's [Flagship Guide](#), Key Messages (various languages), and synthesis report
- [Coalition Capacity Building Catalogue](#)
- Blog - [Towards a coalition for capacity on climate action for finance ministries](#)
- Blog - [Ministers of Finance Issue Inaugural Climate Action Statement](#)
- Blog - [Ministers of Finance Discuss Role of Public and Private Climate Finance at COP28](#)
- Blog - [Bundesministerium für Finanzen: Forum Finanz - Presenting the Guide](#)
- Blog - [Regional Climate Change Platform of Ministries of Economy & Finance of Latin America and the Caribbean](#)

Workshops

- **17** Guide-related events: (PEMPAL, PEMNA, UCL IIPP, Uruguay MoF, EBRD, Pathways 2050, European Commission, EU HLEG, Global Spotlight Event, CGD, UNEP, Austria MoF, Regional Climate Change Platform of Ministries of Economy and Finance of Latin America and the Caribbean, UK Foreign, Commonwealth and Development Office, COP28)
- Launch of Coalition Ambassadors Network (see Annex 3)
- **8** C3A events (EBRD, Paris Summit, Regional Climate Change Platform of Ministries of Economy and Finance of Latin America and the Caribbean, Marrakech, Austria, 3 events at COP28)
- **2** Capacity Building workshops
- MoF COP28 side-event at Rwanda pavilion, Mainstreaming climate action into finance ministries

Key results: publishing Coalition's flagship guide [Strengthening the Role of Finance Ministers in Driving Climate Action](#), which is based on over 140 country examples and offers concrete steps for finance ministers to strengthen their engagement in climate action and efforts towards economically and socially sustainable green transition. Producing first version of [Coalition's Capacity Building Catalogue](#) with an overview of relevant climate-related capacity building programs of institutional partners that are available to member countries' finance ministries.



HP 3: Promoting carbon pricing measures

Objective: The Coalition is engaged in discussions on multilateral approaches to carbon pricing. This includes advocating for the implementation of carbon taxes, ETSs, and other strategies to put a price on carbon emissions. The specific actions and policies may vary among countries. **Workstream priority** was advancing the development and implementation of carbon pricing mechanisms and phasing out of fossil fuel subsidies, to incentivize the transition towards low carbon economies.

Countries: Sweden, Ecuador, Indonesia, Finland, Argentina, Austria, Canada, Chile, Denmark, France, Ghana, Iceland, Ireland, Italy, Korea, Malaysia, Netherlands, Rwanda, Singapore, Switzerland, UK, Uruguay, Uzbekistan

Institutional partners: UNDP, OECD, ADB, EBRD, European Commission, GGGI, IADB, IMF, World Bank

Activities:

Paper

- [International Coordination Mechanisms for Climate Change Mitigation](#)

Workshops

- Seminar on carbon pricing with the Climate Leadership Coalition in Helsinki, Finland
- Participation in the Carbon Taxation Session of the General Assembly of the Addis Tax Initiative
- [Workshop on International Carbon Pricing and Taxation](#) in Jakarta, Indonesia

Key results: publishing first paper under HP3 workstream [International Coordination Mechanisms for Climate Change Mitigation](#), drawing from the learnings of rich discussions among members and helping inform further consideration of these issues within the Coalition; as well as convening members in-person in two-day workshop tailored for practitioners from Finance Ministries and Tax Agencies.



HP 4: Mainstreaming climate in economic policies

Objective: HP4 workstream recognizes the importance of incorporating climate considerations across all relevant governance practices and processes. HP4 helps to mainstream climate change in policy planning, budgeting, public investment management, and public procurement processes and support Ministries of Finance in developing analytical capabilities to inform policy decision-making. **Workstream priorities** were (i) to develop tools and address gaps in macroeconomic modeling and forecasting, and in fiscal planning for climate action (ii) to promote the application of analytical techniques and tools regarding green and climate-smart budgeting, public investment, and procurement.

Countries: Denmark, USA, France, Australia, Greece, UK, Canada, Uganda, Mexico, Philippines

Institutional partners: World Bank, IMF, OECD, European Commission

Activities:

Workshops

- Integrating Climate Change into Macroeconomic Models for Economic Policymaking
- Leveraging Climate-Smart Public Investment Management to Address Climate Change
- 9th Ministerial Meeting Side Event on Modelling and C3A
- Integrated Assessment Modelling Consortium (IAMC) Annual Meeting Side Event on Macroeconomic Modelling
- [Addressing Climate Change from a Disaster Risk Management Perspective](#) (joint between HP4, HP5 and Adaptation)
- COP28 Side Event: Mainstreaming climate economic policies: Success stories and forward priorities

Key results: Convened macroeconomic modeling practitioners at various events to better understand the current state of play for enhanced climate-related economic and fiscal decision-making. The workstream also strengthened its linkages with HP5 and Adaptation by dedicating two workshops to disaster resilient financial management and climate-smart public investment management respectively.



HP 5: Mobilizing private climate finance

Objective: HP5 workstream aims to enhance members' knowledge of policy tools for mobilizing private sources of climate finance and developing a financial sector which supports climate mitigation and adaptation, by facilitating the exchange of experiences and exploring new and emerging financial instruments. **Workstream priorities** were (i) leveraging greater private sector finance, including blended

finance, (ii) greening private finance – including improving climate-related data, reporting and disclosure, (iii) providing transition finance to decarbonize carbon-intensive industries, (iv) joint work with nature and adaptation workstreams on their private finance mobilization.

Countries: UK, Switzerland, Luxembourg, Chile, Mexico, Finland, The Netherlands, Indonesia

Institutional partners: NGFS, EBRD, EIB, IMF, World Bank, LSE/GRI, Brookings, NIB

Activities:

Papers and blogs

- Blog - [Supporting private sector net zero commitments – the role of Ministries of Finance](#)
- [9th Ministerial Meeting Summary](#), including on Transition Finance
- [COP28 Ministerial Meeting Summary Note: Mobilizing private and public finance for climate action](#)

Workshops

- [Net Zero Data Public Utility \(NZDPU\), Its Relevance to Ministers of Finance, and Challenges with Respect to Private Sector Commitment Tracking](#) (joint with Green Transition)
- [Update on climate-related and nature-related disclosure requirements](#) (joint with Nature)
- [Paris Agreement Article 2.1c Implementation](#) for Ministries of Finance (joint with HP2)

Key results: Enhanced understanding of private finance data and disclosure requirements (through two workshops on the topic), as well as the role of Ministries of Finance in implementing Paris Agreement Article 2.1c. in close cooperation with UNCCC. The workstream also strengthened its linkages with Nature, Adaptation, Green Transition and HP2 by jointly organizing workshops.



Green and just transition

Objectives: The Green Transition workstream was established in 2023, following a valuable contribution from HP5 (see 2022 report [Supporting Private Sector Net Zero Targets](#)) with a dedicated thematic discussion during the 9th Ministerial Meeting in April 2023, which focused on transition finance as one of its topics. **Workstream priorities** were: (i) transition taxonomy, definition of eligible activities, and performance standards, (ii) Green transition framework and transition plans, (iii) Access to long-term transition finance, (iv) ensuring socially-just transition.

Countries: Indonesia

Institutional partners: World Bank, EIB, ADB, Brookings, IMF, UNEP-FI, GFANZ

Activities: Workshop [Green Transition taxonomies](#), focusing on how to create interoperable tools

Key results: Launch of Transition workstream, as well as enhancing members' understanding of Green Transition taxonomies and their interoperability, limitations and best practices.



Nature

Objective: Integrating nature is crucial to reach global climate related targets. Coalition work on Nature started in 2022, when Coalition produced the comprehensive report [An Overview of Nature-Related Risks](#)

[and Potential Policy Actions for Ministries of Finance: Bending The Curve of Nature Loss](#). Based on the findings of the report, Ministers of Finance are encouraged to: (i) Enhance their understanding of nature-related risks and promote awareness across government. (ii) Take steps to integrate nature-related criteria into their strategies and decision-making, building on climate integration efforts. (iii) Coordinate nature-related risk management with relevant ministries, as well as with their regulator, supervisor, and central bank counterparts. **Workstream priorities** were: (i) understanding nature-related data, reporting and disclosure – particularly updates from ISSB and TNFD, (ii) understanding what Global Biodiversity Framework (GBF, particularly targets 14,15,18,19) means for the Ministries of Finance and their role in GBF implementation, (iii) leveraging nature-related investments.

Countries: Finland, Chile, Ecuador, UK, France, Mexico, The Netherlands, Indonesia

Institutional partners: NGFS, TNFD, World Bank, EIB, UNEP, SITRA, WRI, the Commonwealth, OECD

Activities:

Papers and blogs

- [Finance Ministries and Central Banks actions to implement the Global Biodiversity Framework and halt and reverse nature loss](#) (joint with NGFS)
- Blog - [Finance Ministries actions to implement the Global Biodiversity Framework and halt and reverse nature loss](#)

Workshops

- [Taking stock of Nature: Insights from Institutional Partners](#)
- [What the Global Biodiversity Framework means for Finance Ministries and Central Banks](#)
- [Nature Investments](#) (joint between Nature and HP5)

Key result: launch of Nature workstream, with growing interest and active engagement by members during the year; enhanced understanding of what Global Biodiversity Framework means for ministries of finance, in particular on the topic of nature-related investment mobilization and nature-related risks disclosure requirements for businesses.



Objective: The importance of adaptation efforts to minimize climate change losses is increasingly recognized by finance ministers and ministries, which play a critical role in integrating adaptation into their countries' policy agendas. This involves adopting a whole-of-government approach, integrating adaptation policies into macro-fiscal policies, facilitating access to finance, and creating an enabling environment for the private sector. Adaptation workstream was established in 2022. **Workstream priorities** were developing long-term strategies for adaptation and scaling up adaptation finance.

Countries: Mexico, Uganda

Institutional partners: ADB, UNDP, UNEP, GGI, WRI

Activities:

Workshops

- National Adaptation Plans (NAPs) and Finance Ministries, webinar for UNEP Community of Practice
- [Adaptation Planning and Financing through NAPs and NDCs](#)

- [Role of Finance Ministries in Catalyzing Private Finance for Adaptation](#) (joint with HP5)
- COP28 side event with ADB on Climate Resilient Fiscal Planning

Key results: Enhanced understanding on increasing access to finance, accelerating private financial flows for adaptations needs (via strengthened linkage with HP5 workstream), and enhancing fiscal resilience to adaptation risks. Several workshops during the year offered Member a unique opportunity to exchange challenges and potential solutions.

Sherpa meetings

Sherpa meetings are monthly Coalition-wide meetings at the Sherpa level, with the aim to propose (by Co-Chairs) and approve (by members) operational procedures and strategic directions, discuss Coalition events preparation, provide updates on new memberships, financials and fundraising, and seek members and Institutional Partners input on any matters related to the Coalition activities. In particular, Coalition Theory of Change (*Annex 2*) was proposed in August Sherpa meeting, while Coalition's Operational Guidance (*Annex 4*) was discussed and approved in both July and August Sherpa meetings.

In 2023, the Coalition held 11 monthly Sherpa meetings, including hybrid meetings in Marrakech (on the sidelines of the 10th Ministerial meeting), Paris (on the sidelines of the Paris Summit) and Helsinki (the Coalition's annual in-person/hybrid meeting conducted in the beginning of the year to discuss strategic priorities and the 2023 work program).

Reporting for the gap period of October – December 2022

As the previous Annual Report (2022) was based on October 2021 - September 2022 reporting period, and current Annual Report (2023) follows January 2023 – December 2023 reporting period, *Annex 1 lists activities during the gap period of October - December 2022*, including the [8th Ministerial meeting](#) in October 2022 and the [COP27 Ministerial](#) in November 2022, four workshops and three papers.

Outcomes

The Coalition measures how the Ministerial meetings, workstream activities, and other Coalition events and products contribute to its intended outcomes, set out in its Theory of Change (*Annex 2*). For this purpose, the Coalition uses its annual survey with the outcome results indicators. At the time of this report, the survey received 30% response rate, with the outcomes as following:

- 52% of respondents believe that the Coalition strengthened role of Ministries of Finance in national-level climate action, with increased inter-ministerial coordination;
- 46% of respondents believe that the Coalition increased collaboration between countries' Ministries of Finance on climate action, for example through cross-border initiatives;
- 44% of respondents believe that the Coalition increased international collaboration and leadership of Ministries of Finance on climate action;
- 38% of members believe that the Coalition increased member capacity on climate action.

Annex 1. Detailed Activities

January - December 2023 reporting period

Workstream Activities

HP 1 and HP 6: Work on NDC coordination and Paris alignment

Countries: Spain, Uganda

Institutional partners: European Commission, NDC Partnership, WB

Workshop:

- September 12: [Empowering Climate Action: Ministries of Finance Role in Nationally Determined Contributions and Long-Term Strategies Implementation](#)

3 Working Group Convenings:

- May 24: Strategic Meeting, Virtual
- August 21: HP1/6 Working Group Meeting, Virtual
- November 16: HP1/6 Working Group Meeting, Virtual

HP 2: Sharing experience and expertise

Countries: Finland, Indonesia, Rwanda, the Netherlands

Institutional partners: Brookings, the Commonwealth, IDB, NIB, LSE/GRI, NDC Partnership, UNDP, WB, WRI

Papers and blogs:

- June-July: Coalition's [Flagship Guide, Key Messages \(various languages\), and synthesis report](#)
- June: [Coalition Capacity Building Catalogue](#)
- June: Blog - Towards a coalition for capacity on climate action for finance ministries
- October: Blog - Ministers of Finance Issue Inaugural Climate Action Statement
- October: Blog - Ministers of Finance Discuss Role of Public and Private Climate Finance at Coalition's Ministerial Meeting at COP28
- September: Blog - Bundesministerium für Finanzen: Forum Finanz - Presenting the Guide
- November: Blog - IADB Regional Climate Change Platform of Ministries of Economy and Finance of Latin America and the Caribbean – Presenting the Guide and Coalition Capacity Building Programs

Workshops:

- COP28 side event: Mainstreaming climate action into finance ministries: Key lessons. Rwanda Pavilion

17 Guide-related events:

- January 26: PEMPAL, Annual Meeting – Panel discussion, Virtual
- March 8: PEMNA, Budget CoP - Panel, Virtual
- March 14: UCL IIPP, Policy Discussion Panel: 'What role(s) for Finance Ministries in Climate Action?', Virtual
- March 21: G20 SFWG, G20 SFWG Workshop on Non-Pricing Policy Levers to Support Sustainable Investment, Virtual
- April 24: Uruguay MoF, Presentation to MoF Staff and various line ministries
- May 16: EBRD Annual Meeting and Business Forum, Uzbekistan
- May 17: Pathways 2050, Annual Event - Webinar on Long-term Strategies - Panel discussion, Virtual
- May 23: Working Group on Energy and Climate Change, EU Economic Policy Committee, Committee Meeting, Virtual
- May 23: EU High level Expert Group, High level Expert Group Meeting, Brussels
- June 15: From Guide to Action: Strengthening the Role of Ministries of Finance in Driving Climate Action, Coalition/ GRI, Global Spotlight Event, Virtual

- July 13: CGD, Public Event: Making Finance Ministries Part of the Push for Net Zero Emissions, virtual
- September 14: UNEP, Presentation to NAP Community of Practice, virtual
- September 18: Austria, HP2 Guide Presented during the Bundesministerium für Finanzen: Forum Finanz
- September 26: Chile, Regional Climate Change Platform of Ministries of Economy and Finance of Latin America and the Caribbean
- October 30: FCDO, Presentation to FCDO Climate Network , virtual
- December 4: MoF Uganda, COP28 - Uganda Coalition of Finance Ministers event , Dubai
- December 11: European Commission, Brussels

8 C3A events:

- May 16: Introducing C3A and panel discussion, EBRD Annual Meeting and Business Forum, Uzbekistan
- April 22: C3A Launch event: Paris Summit - Leveraging Capacities for Finance Ministries on Climate Action, Hybrid
- September 26: Chile, Regional Climate Change Platform of Ministries of Economy and Finance of Latin America and the Caribbean – Introducing regional Latin American hub for Latin America and the Caribbean
- October 12: Marrakech, AM side event - Full-day workshop launching thematic hubs, hybrid
- November 23: Austria, Scenario building workshop, Virtual
- December 4: Dubai, COP 28 Side event – Central Asia, Kyrgyz Republic MoF and Ministry of Environment
- December 5: Dubai, COP 28 Side event – Uganda pavilion, fiscal risks of climate change
- December 3: Dubai, COP 28 Side event – ECLAC and Latin America

2 Capacity Building workshops:

- March 29: HP2 Capacity Building Workshop – IP presentations to members (1), Virtual
- June 27: HP2 Capacity Building Workshop – IP presentations to members (2), Virtual

3 Working Group Convenings:

- April 14: HP2 Working Group Launch Virtual
- September 13: HP2 Working Group Meeting, Virtual
- November 15: HP2 Working Group Meeting, Virtual

Launch of Guide Ambassadors Network (see Annex 3):

- July: Briefing note: Rolling out the Guide
- December: Briefing note: Ambassador's network: A plan for action

Other relevant outputs:

- July: Briefing note: Central Banks, Ministries of Finance, and Climate Change: A review of focus areas
- October: LinkedIn Campaign – Ministers of Finance social media cards linking to CAS
- December: Briefing note: member's Survey analysis and report 2023

HP 3: Promoting Carbon Pricing measures

Countries: Argentina, Austria, Canada, Chile, Denmark, Ecuador, Finland, France, Ghana, Iceland, Indonesia, Ireland, Italy, Korea, Malaysia, the Netherlands, Rwanda, Singapore, Sweden, Switzerland, United Kingdom, Uruguay, Uzbekistan

Institutional partners: ADB, EBRD, EC, GGGI, IADB, IMF, OECD, UNDP, WB

Reports:

- April: [International Coordination Mechanisms for Climate Change Mitigation](#)

Workshops:

- March 28: Seminar on carbon pricing with the Climate Leadership Coalition in Helsinki, Finland
- June 22: Participation in the Carbon Taxation Session of the General Assembly of the Addis Tax Initiative (hybrid)
- October 3-4: Two-day [in person workshop on International Carbon Pricing and Taxation](#) organized jointly with the Asian Development Bank and the Ministries of Finance of Indonesia and Sweden in Jakarta, Indonesia

2 Working Group Convenings:

- June 20: HP3 Stock take on 2023 Work Plan (virtual)
- September 18: HP3 Working Group Meeting (virtual)
- Bi-monthly bilateral meetings with Country Leads, Co-Chairs, and IPs actively engaged or prospective IPs on areas of collaboration (virtual and in person)

HP 4: Climate mainstreaming

Countries: Australia, Canada, Denmark, France, Greece, Mexico, Philippines, Uganda, United Kingdom, United States

Institutional partners: EC, IMF, OECD, WB

Workshops:

- April 13-14: Integrating Climate Change into Macroeconomic Models for Economic Policymaking
- Leveraging Climate-Smart Public Investment Management to Address Climate Change
- September 20: Addressing Climate Change from a Disaster Risk Management and Financing Perspective (joint between HP4, HP5 and Adaptation)
- October 12: 9th Ministerial Meeting Side Event on Modelling and C3A
- November 13: Integrated Assessment Modelling Consortium (IAMC) Annual Meeting Side Event on Macroeconomic Modelling
- December 5: COP28 Side Event: Mainstreaming climate economic policies: Success stories and forward priorities

1 Working Group Convening:

- August 31: HP4 Working Group Meeting (Virtual)
- Bi-monthly virtual meetings with HP4 co-leads, including calls with interested members and institutional partners on how to actively engage in this workstream

HP 5: Mobilizing private finance

Countries: Chile, Finland, Luxembourg, Mexico, the Netherlands, Indonesia, Switzerland, United Kingdom

Institutional partners: Brookings, EBRD, EIB, IMF, LSE/GRI, NGFS, NIB, WB

Papers and blogs:

- March 10: Blog - [Supporting private sector net zero commitments – the role of Ministries of Finance](#)
- April 14: [9th Ministerial Meeting summary](#), including on Transition Finance
- December 5: [COP28 Ministerial Meeting: Mobilizing private and public finance for climate action, Summary Note](#)

Workshops:

- April 5: Transition Finance: Net Zero Data Public Utility (NZDPU), Its Relevance to Ministers of Finance, and Challenges with Respect to Private Sector Commitment Tracking
- July 12: Climate-related disclosure (ISSB) and nature-related disclosure (TNFD) update (Joint HP5+Nature workshop)
- October 6: Paris Agreement Article 2.1c Implementation for Ministries of Finance
- September 20: Addressing Climate Change from a Disaster Risk Management and Financing Perspective (joint workshop between HP4, HP5 and Adaptation)

5 Working Group Convenings:

- February 28: Work planning for 2023
- April 6: HP5 working group meeting
- June 6: HP5 working group meeting
- August 31: HP5 working group meeting
- November 9: Meeting with OECD on joint HP5 work, Paris
- Monthly bilateral meeting with co-leads and lead institutional partners

Green transition

Countries: Indonesia

Institutional partners: ADB, Brookings, EIB, GFANZ, IMF, UNEP-FI, WB

Workshops:

- July 11: [Green Transition taxonomy](#) workshop, focusing on best practices to create interoperable tools

1 Working Group Convening:

- May 23: [Green Transition Concept Note Review Meeting](#)

Nature

Countries: Chile, Ecuador, Finland, France, Indonesia, Mexico, United Kingdom

Institutional partners: the Commonwealth, EIB, NGFS, OECD, Sitra, TNFD, UNEP, WRI, WB

Papers:

- August 31: Blog - [Finance Ministries actions to implement the Global Biodiversity Framework and halt and reverse nature loss](#)
- October 23: Note - [Finance Ministries and Central Banks actions to implement the Global Biodiversity Framework and halt and reverse nature loss](#) (joint with NGFS)

Workshops:

- May 16: Taking stock of Nature: Insights from Institutional Partners
- June 28: What the Global Biodiversity Framework (GBF) means for Finance Ministries and Central Banks
- July 12: Climate-related disclosure (ISSB) + nature-related disclosure (TNFD) (Joint HP5+Nature workshop)
- November 14: Nature Investments (joint between Nature and HP5)

3 Working Group Convenings:

- April 27: Nature work plan meeting
- October 2: Nature work update meeting
- November 8: Meeting with NGFS on joint Nature work, Paris

Adaptation

Countries: Uganda, Mexico

Institutional partners: ADB, GGI, UNDP, UNEP, WRI

Workshops:

- July 6: Adaptation Planning and Financing through NAPs and NDCs
- August 17: Role of Finance Ministries in Catalyzing Private Finance for Adaptation
- September 14: NAPs and Finance Ministries, webinar for UNEP Community of Practice
- September 20: Addressing Climate Change from a Disaster Risk Management and Financing Perspective (joint workshop between HP4, HP5 and Adaptation)
- 05 December: COP28 side event with ADB, Climate Resilient Fiscal Planning

Other relevant output

- August 17: Briefing Note - [The Role of Finance Ministries in Catalyzing Private Finance for Adaptation](#)
- July 13: Briefing Note – Write-up Adaptation Planning and Financing through NAPs and NDCs: Country Experiences

2 Working Group Convenings:

- Workplan related meetings with members.

October - December 2022 period

The previous Annual Report (2022) covered the period from October 2021 to September 2022, while the current Annual Report (2023) encompasses the period from January 2023 to December 2023. The following is a list of activities from October to December 2022.

Workstream Activities

HP 1 and HP 6: work on NDC coordination and Paris alignment

Paper: November: [Ministries of Finance and Nationally Determined Contributions: Raising Ambition and Accelerating Climate Action](#)

HP 2: Sharing experience and expertise

- October 24: 2nd Country Steering group meeting for Strengthening the Role of Ministries of Finance: A framework and guide to climate action and investment
- December 5: 3rd Country Steering Group Meeting for the Strengthening the Role of Ministries of Finance report

HP 3: Promote Carbon Pricing measures

- October 31: HP3 Seminar on International Carbon Markets, organized with the Global Green Growth Institute (GGGI) (virtual)
- December 12: HP3 Seminar on Pricing GHG Emissions, organized with the Organization for Economic Cooperation and Development (OECD) (virtual)

HP 4: Climate mainstreaming

- November 3: OECD Paris Collaborative on Green Budgeting Meeting

HP 5: Mobilizing private finance

Workshop:

- November 10: [COP27 Event: Closing the Weather and Climate Data Gap for Effective Economic Decision-Making](#)

Papers:

- November: [Supporting Private Sector Net Zero Targets](#)
- November: Blended Finance for Climate Investment Mobilization, Information Note for MoF (member use only)

Adaptation

Paper:

- November: [Climate Change Adaptation and Role of the Coalition of Finance Ministers for Climate Action](#)

Sherpa Meetings

- October, November and December Sherpa meetings were conducted in 2022.

Ministerial Meetings

Coalition held two Ministerial meetings during December – October 2022 period:

1) [8th Ministerial meeting](#) in October 2022

During the meeting, the Ministers discussed the economic and financial aspects of the green transition and ideas for effective policy approaches and sharing experiences with overcoming transition-related challenges. As reaching the goals of the Paris Agreement will require a comprehensive approach, Ministers agreed that the policy mix toward carbon neutrality and net zero greenhouse gas emissions should include a full range of fiscal, market, and regulatory mechanisms. Such tools may include, where appropriate, green budgeting, carbon pricing mechanisms and incentives, well-designed expenditure and subsidy policies, regulatory policies, targeted public investment, and measures to incentivize investments in low-carbon technologies.

In addition, as Finland's term as Co-Chair reached the maximum four years in April 2023, the Coalition agreed that the Netherlands will take over the role for an initial two-year term from April 2023 until April 2025. The Coalition further agreed that Indonesia's term as Co-Chair will be extended by one year, from April 2023 until 2024.

2) [COP27 Ministerial in Sharm El-Sheikh](#) in November 2022

During the meeting, the Ministers discussed their role in boosting adaptation investments using the economic and fiscal policy levers at their disposal. In this context, attendees stressed the vital importance of improving access to adaptation financing—particularly for low-income and climate-vulnerable countries—and discussed the role of multilateral development banks and the private sector in providing adaptation finance. The need to further develop national financial systems to mobilize public and private finance was also highlighted. Participants welcomed the public release of the report, [Climate Change Adaptation and Role of the Coalition of Finance Ministers for Climate Action](#), which was prepared as a key input into the meeting.

The meeting also launched a [consultation process](#) with stakeholders and partners on the role of finance ministries in climate action, which resulted in publication of Coalition's flagship report [Strengthening the Role of Finance Ministers in Driving Climate Action. A Framework and Guide for Ministers and Ministries of Finance](#) (the Guide).

Annex 2. Theory of Change

The following Theory of Change was proposed by Co-Chairs during the Sherpa meeting of August 2023.

The Coalition's Theory of Change (ToC) causal pathways are as follows:

- 1) **Assumptions:** the underlying conditions or resources that need to exist for planned change to occur.
- 2) **Activity:** what we (Secretariat, Co-Chairs, active members) do daily.
- 3) **Output:** our immediate deliverables, the result of what we do.
- 4) **Outcome:** changes in Coalition members' behavior and capacity - medium-term results or actions implemented by members that follow the output.
- 5) **Impact:** long-term impact on members (national-level changes) and in the international policy space.

Based on the definitions above, recognizing that Coalition has evolved since its establishment in 2019, building on extensive consultation with members, drawing on existing evidence and results we measure and aim to measure, and considering our mission and strategic goals, the **Coalition's ToC was proposed in 2023 as follows:**

Assumptions	Activity	Output	Outcome	Impact
High level commitment from members, institutional partners, and other stakeholders in line with Coalition's mission and vision. Availability of sustainable funding for Coalition activities, and solid governance	Work by Secretariat, Co-Chairs, active members, institutional partners, advisors and other partners on developing and implementing work program and work plans; preparing (Ministerial) meetings and events; improving governance, funding, Secretariat efficiency and increasing active member engagement	Member access to high quality knowledge, peer-to-peer learning and exchange opportunities, and capacity development provided by the Coalition and its partners. Increased member and institutional partner engagement within the Coalition and at relevant national, regional and international events representing the Coalition	Strengthened institutional capacities of member countries. Increased whole-of-government collaboration between MoFs and other ministries on climate action. Increased international collaboration of MoFs on climate action. Increased climate action and leadership by MoFs, including through Annual Climate Action Statement from Ministers with specific commitments	Mainstreaming of climate change in member MoF instruments and policies. Mainstreaming of climate change elements in global fiscal and economic policies. Increased whole-of-government climate action and increased financing of climate actions by public and private sectors.

Results Indicators and Reporting

Output results indicators	Outcome results indicators
<ul style="list-style-type: none"> • Work program and work plans developed/updated by February each year • Sherpa meetings conducted timely and orderly • Coalition represented at relevant international events, including member-led and/or Coalition-branded contributions to events (with gender balance) • Number of workstream activities conducted according to work program/plans – with increased numbers of members attending and actively involved • Increased number of active members • Increased number of active institutional partners providing support to members and the Coalition • Coalition ministerial meetings (including at COP) conducted • Capacity building support effectively provided (via C3A, catalogue, partnerships) • Knowledge products prepared and peer exchange workshops organized, including regionally • Annual Climate Action Statement developed and presented at Coalition Annual Meeting 	<ul style="list-style-type: none"> • Increased member capacity on climate action, as stated by members • Strengthened role of MoFs in national-level climate action with increased inter-ministerial coordination, as stated by members • Increased collaboration between countries' MoFs on climate action where the Coalition has played a facilitative role, for example through cross-border initiatives, as stated by members • Increased international collaboration and leadership of MoFs on climate action, as seen through international fora and stated by members • Increased climate action and leadership by MoFs, including through Annual Climate Action Statement (CAS) from ministers, with specific commitments, as seen via CAS development and analysis
Results indicators collection and reporting	
Output results indicators are collected on a continuous basis by the Secretariat and reported once a year in the Annual Report	Outcome results indicators are collected by the Secretariat via surveys and Climate Action Statement (CAS) development process and will be reported in the Annual Report and CAS as relevant

Annex 3. Ambassadors Network

Coalition Ambassadors

The Coalition sought to ramp up its aspirations as a collective to increase its impact towards members through enhanced knowledge sharing and capacity-building offerings. Against this background, the Coalition cultivated and support a group of frontrunning Ministries of Finance – led by Sherpas – to champion the Coalition’s work as ‘ambassadors’.

The role of a Coalition ambassador is intentionally flexible in that it can take various forms based on the preferences, resources, and availability of the respective Sherpa. Generally, an ambassador would take on at least one of the three following functions:

- 1) Be a subject lead in a specific HP area, and/or able to share country experiences in a specific policy area.
- 2) Be a regional presenter, able to represent the Coalition and willing to share country experience for and in their respective regions.
- 3) Be a representative agent, trained in using the Coalition slide-sets (covering parts of the guide, CAS, general work of the coalition and capacity building programs).

A set of illustrative examples of the activities that the ambassador could choose to undertake, include one or several of the following:

- **Simple host/connector:** Support the organization of an event at your ministry (i.e. brown bag lunch, workshop, or formal seminar) showcasing the Coalition’s outputs (such as the Guide), coordinated through the Secretariat.
- **Spotlight Opportunities:** Help identify new opportunities to showcase the Coalition’s work in the region.
- **Shape Discussions:** Host and shape events and dialogues in the region that facilitate peer-to-peer learning and member exchange.
- **The Representative Face:** Officially represent the Coalition in the region in events and dialogues, which could include:
 - Share country/regional experiences at events
 - Sharing technical expertise in a specific area
- **Slide-deck Mastery:** Trained in using approved Coalition slide-deck (i.e. on Coalition HP work, CAS, capacity building offerings, and Guide) in private and public engagements
- **Dialogue partners:** Attend focused meetings and/or workshops where other ministries present their work. Respond to main presentation by sharing experience and/or offering responsive feedback as technical experts in a specific field or regional area.
- **Capacity Building Champion:** Identify and support capacity-building initiatives in the area.

The purpose of these activities is to promote peer-to-peer interactions, enhance the visibility of the coalition, and empower members to take ownership of their involvement in public engagement efforts.

Ambassadors Network

To help roll out and present the work of the Coalition effectively, an “Ambassadors Network” has been launched as a community of practice within the confines of the HP2 working group. Countries have been invited to join the network (which include members of the Guide’s existing steering group) plus additional countries who have expressed an interest. Sherpas from the list below will (initially) be invited to join the Ambassadors Network, as they have expressed interest in doing so in the past.

Latin America	Vulnerable Island States	Europe	Asia Pacific	Africa and Middle East	North America
Uruguay Chile Mexico	Bahamas Jamaica	Netherlands Finland UK Denmark Sweden Belgium	Indonesia Malaysia Singapore	Rwanda Uganda Morocco Egypt	US

The ambassadors network was launched in part to showcase engagement options, and connect these to how the Coalition and its partners can support actions, to highlight the Coalition's growing capacity building support initiatives to members as a subsequent step.

Strengthening Climate Capacities of Ministers of Finance

The Coalition is currently offering several avenues for members to access capacity support, and is seeking to expand and strengthen institutional partnerships to deliver for members.

Support		
CFMCA Capacity Building Catalogue Suite of established (and expanding) climate-related capacity building programs provided by institutional partners	Coalition for Capacity Creation on Climate Action (C3A) Tailor-made demand-driven capacity building to build bespoke analytical toolkits	NDC Partnership and support from partners
Delivery approach		
<ul style="list-style-type: none"> African Development Bank Asian Development Bank The Commonwealth European Commission Grantham Research Institute Green Climate Fund Inter-American Development Bank IMF NDC Partnership World Bank World Resources Institute 	<ul style="list-style-type: none"> Program pays particular attention to an initial needs/demand assessment that will be conducted as part of the key activities. Regional and thematic hubs play an essential role in connecting specific capacity-building needs to a wide range of knowledge providers across regions. Based on demand, leverages targeted material from an independent Knowledge Network for Climate Action to develop analytical tools for Ministries of Finance. 	<p>Countries submit country-specific request for support through the NDC Partnership mechanism</p> <p>Specific requests go out to over 80+ implementing and development partners from the network, such as:</p> <ul style="list-style-type: none"> Support for Ministers of Finance in NDC/LTS process Macroeconomic modeling of climate risks Incorporating climate actions in PFM Support related to carbon pricing and fossil fuel subsidy phase-out Greening central banks Regulations to protect financial stability and align finance with Paris Agreement Other climate-related needs from Ministers of Finance

Annex 4. Operational Guidance

During 2023, the Sherpas endorsed a series of principles to help the structure the Coalition's work and offer framework of engagement for Coalitions partners. The guidance will change over time to serve best the evolving needs of members.

Sherpa meeting, July 2023

Operational guidelines for Co-Chair strategy

- High-Level Advisory Committee (with regional and gender balance) will be activated as per Charter.
- Increased member engagement, with broad geographical coverage. Shifting focus from member quantity to increasing activity of the existing membership.
- Regional engagement encouraged, especially regarding knowledge exchange and capacity building, if member demand is there. Institutional partners are encouraged to support, including financially. Any regional gatherings remain open for all of the membership.

Enhanced Secretariat structure

Secretariat reform rationale: toward a steady and stable support structure to meet the Coalition needs.

The setup of the Secretariat should enable it to achieve three major targets for the Coalition:

- Achieve a sustained and stable service delivery and work coordination function for the Coalition, including reaching underserved geographies.
- Have a structure that stems from the Finance Ministries' competencies and enables the involvement of the best experts depending on the work priorities and the Coalition's annual work program, including members or institutional partners depending on availability.
- Ensure that the Coalition steers the Secretariat work needs as defined by the Annual Work Program and Co-Chairs.

Main components of the proposed reform

- Setting up a dedicated Coalition Secretariat unit, per the agreement outlined in the MoU between the Coalition and the WB and IMF.
- Longer contract durations of Secretariat staffing positions, location flexibility, and open hirings.
- Creating the resources for sustained unit funding and forming a solid financing agreement.

Sherpa meeting, August 2023

Principles for disseminating the Coalition's flagship Guide

The precondition for applying the information in the Guide is country ownership. That means countries striving to reform actively seeking guidance, and countries that have executed reforms (country owned and country led), as described in the guide, offering guidance and sharing experiences.

The main objective of further dissemination of the Guide is thus creating country ownership. That is achieved by ensuring demand-driven members steering of all guide-related events and workshops.

As the Guide offers options and examples, but is not approved as mandatory implementation for the Coalition or its members, situations and events where it could be interpreted as Coalition's or its members commitment should be consciously avoided.

Instead, we use the guide to showcase options, and connect them to how the Coalition and its partners can support actions. This approach provides the Coalition an important opportunity to highlight its growing capacity building support initiatives to members as a subsequent step.

The Guide is a member-led output owned by our members for our members. There are two general rules to help shape the organization of events:

- 1) Members must feature front and center of the events, and
- 2) Events must be demanded by and aimed at members.

Members should direct requests to the Secretariat. The Secretariat will propose the best available response to the requests, including ensuring the availability of experts from our members and institutional partners.

The Secretariat will manage central coordination of Coalition events at the country and regional level.

There are currently two categories of events:

- Virtual sessions (default): members may request virtual presentations to their MoF at a date/time convenient to them, which will be organized by the Secretariat, involving partners and experts.
- In-person (multi-day) events: if Ministers of Finance wish to organize a more extensive event, this may be organized on demand and pending availability of resources (fundraising efforts for Coalition activities remain ongoing).

To minimize the carbon footprint of such events, we would like to work towards a model where country ambassadors can lead trainings in neighboring countries (funded by the Coalition). Regional workshops for multiple countries may also be organized on the sidelines of existing convenings that Ministers of Finance attend.

Setting up Coalition-branded events

- If a member wishes to organize a Coalition event, they inform and consult Co-Chairs and Secretariat for coordination purposes. If a member is leading and driving the event, it can be Coalition-branded.
- To be Coalition-branded, events should clearly relate to the Coalition work program. Overall objectives of MoF relevance must be a priority, and audience is expected to be Ministers of Finance (or institutional partners) unless otherwise agreed with Co-Chairs.
- If events are to take place or involve the ministerial level, Co-Chairs must be included to represent the collective.
- IP-organized events can be branded as Coalition events, if organization happens at the behest of members and is directly related to Coalition's work. All such events should similarly be consulted and coordinated with Secretariat and Co-Chairs. Coalition members attendance would not suffice for the Coalition branding if the link to Coalition's work is absent.

Fundraising principles under the Coalition brand

Purpose of funding		
Core Coalition Secretariat functions (main coordination functions, expert coordination, operational support)	Activities to support Helsinki Principles (coordinated through Coalition Secretariat)	IPs responding to member needs and providing capacity building & technical support to Ministers of Finance at country/regional level (C3A, capacity building programs featured in the catalogue, new support)
Fundraising principles		
USD financial contributions to Secretariat from member countries through Coalition-specific funding window at the World Bank Climate Support Facility (CSF) USD in-kind contributions from members and IPs	USD financial contributions from member countries & non-members for specific outputs/activities through the World Bank's externally funded operations (EFO), managed by the Coalition budget manager (Secretary)	USD financial contributions to C3A from member countries & non-members through the CSF in close coordination with Secretariat/Co-Chairs USD financial contributions IPs from member countries & non-members to deliver support for <u>Coalition</u> (requirement: IPs to coordinate directly with Secretariat and confirm agreement with Co-Chairs)

Annex 5. Financials and Fundraising

Achieving the Coalition's goals and implementing its Work Program depends fully on support from members, institutional partners, and other stakeholders in line with the Coalition's mission and vision, solid governance, and sustainable funding for Coalition activities.

Previous donors to the Trust Fund

During 2023, the Coalition Secretariat has been sustained on funding from Germany (BMZ, USD 1 million) and Switzerland (SECO, CHF 750,000). The funding was provided through the Climate Support Facility (CSF), a World Bank-managed Trust Fund.

In 2023, a Coalition-specific funding window was opened under the CSF Trust Fund, to which members can make direct contributions allocated to Coalition operations and activities. An added funding from the BMZ of USD 2 million was contributed to the newly founded Coalition window towards the end of 2023.

New donors to the Trust Fund

For 2024 and onwards, the Coalition Secretariat has already received a sizeable amount of support, whereas the Ministry of Finance of the Netherlands has joined as a new contributor and the first Finance Ministry to support the Coalition, committing a total of EUR 4 million for the coming three years.

Fundraising needs

The availability of funding enables the Secretariat to put in place a more stable staffing solution, which will allow it to provide support to all Coalition workstreams, facilitate implementation of the work program, and organize the ministerial meetings. For the upcoming years, a funding gap of at least 3-4 million USD remains to cover for the basic services provided by the Coalition Secretariat.

Moreover, there is still need for additional funds to support Coalition activities, for example in-person workshops that are increasingly requested by members, as well as a further upgrade of the members online portal. Further support from other Coalition members would be required to be able to sustain the improvements in Secretariat operations and to realize the impact of our steadily growing Coalition.

Annex 6. Coalition for Capacity on Climate Action (C3A)

What is C3A?

The Coalition for Capacity on Climate Action (C3A) aims to support the landscape of capacity building through a unique demand-driven approach, that co-creates bespoke economic models and cutting-edge analytical tools with Ministries of Finance. C3A is a program hosted at the World Bank.

The program not only involves Finance Ministries but their ecosystems, to provide knowledge exchange and capacity building for climate-aligned development strategies. During COP27, the Coalition of Finance Ministers for Climate Action recognized the lack of technical know-how within Finance Ministries to deal with the challenges of climate change impacts. This observation led to the initiation of the C3A program.

What sets the C3A program apart is that it is a demand-driven initiative, supported by an external Knowledge Network. The Program will pay particular attention to initial needs assessment that will be conducted as part of the key activities of the Program itself.

What does C3A offer?

C3A is structured around regional and thematic hubs that countries can access and benefit from. The two hubs play an essential role in connecting specific capacity-building needs to a wide range of knowledge providers. This Knowledge Network provides a distinct platform for learning, engaging in discussion and collaboratively designing equitable climate policies.

C3A can offer participating countries three main types of services:

- i. Technical capacity creation sequences are structured on demand, based on the scientific and policy-oriented materials available or to be created. They can be delivered physically or virtually to high-level policymakers, but also to experts at technical levels.
- ii. Skill based exchanges are also a strategic means of raising awareness and exchanging views on existing experiences and the challenges facing countries.
- iii. Climate analytical tools can also be co-developed by C3A and local partners, such that the Ministries of Finance can access or develop their own country-specific analytical tools designed with local stakeholders.

Who are C3A's main partners?

To respond adequately to the demand requirements of Ministries of Finance, C3A will mobilize capacity both internally and externally. First and foremost, C3A assembles a global Knowledge Network composed of academics and technical experts. There is also an extensive range of existing capacity building programs that C3A partners up with when addressing specific demands of Finance Ministries.

The main partners of the C3A include:

- The World Bank. The World Bank is both the host and main funder of the C3A program. It also provides complementary activities to C3A depending on the topics and regional context.
- The Coalition of Finance Ministers for Climate Action. Coordination with the Coalition is done under the Helsinki Principle 2 workstream that specifically focuses on capacity development. This also involves coordination with other Institutional Partners that also provide capacity development programs.
- Local or international institutions which also coordinate the C3A regional and thematic hubs. For example, the Economic Commission for Latin America and Caribbean is the main C3A hub partner for the Latin America and Caribbean region (see the recent announcement of the C3A Latin American Regional Hub below).
- Academics, practitioners, and experts, who form the C3A Knowledge Network.

What are C3A's Regional and Thematic hubs?

The two main delivery building blocks that Coalition members can access to benefit from C3A services are the **regional** and **thematic hubs**. The regional and thematic hubs play a pivotal role in connecting the specific needs for capacity creation with a diverse array of knowledge providers.

Hosted by regional institutions, the regional hubs monitor and mobilize local knowledge stakeholders to help Ministries of Finance design ambitious and effective climate policies. The mission of regional hubs is to facilitate the creation of capacity in each region by mobilizing relevant stakeholders to support the emergence of climate action oriented economic policies within the regional Ministries of Finance. C3A services will be initially deployed in four regions as part of the development of regional hubs. These regions are:

- Latin America and the Caribbeans
- South Asia
- Central Asia
- East Africa

Thematic hubs provide decision-makers with knowledge from the latest International academic research and practitioner experience on the most critical topics. The mission of thematic hubs is to address cross-cutting issues and stimulate the knowledge creation on this topic by drawing on policy relevant scientific work and policymakers' experiences. The thematic hubs are responsible for aggregating country requests (demand assessments), build a work program (i.e. identifying beneficiaries and designing seminars), and stimulate the production of scientific works. Thematic activities related to five broad domains. These thematic hubs are:

- Climate macro-modelling
- Green innovation
- Fiscal and debt sustainability in the transition
- Adaptation
- Nature

How can I find out more

If you or colleague would like to find out more, join a regional or thematic hub feel free to get in touch with Bastien Bedossa at bbedossa@worldbank.org

Institutional Partners

The Coalition continues to benefit greatly from the active collaboration of our Institutional Partners, which are listed below. 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.



- African Development Bank (AfDB)
- Asian Development Bank (ADB)
- Brookings
- European Bank for Reconstruction and Development (EBRD)
- European Commission (EC)
- European Investment Bank (EIB)
- Green Climate Fund (GCF)
- Global Green Growth Institute (GGGI)
- Grantham Research Institute on Climate Change and Environment (GRI)
- Inter-American Development Bank (IDB)
- International Monetary Fund (IMF)
- Korea Development Institute (KDI)
- Korea Institute for International Economic Policy (KIEP)
- Korea Institute of Public Finance (KIPF)
- Korea Institute of Finance (KIF)
- NDC Partnership
- Nordic Investment Bank (NIB)
- Network for Greening the Financial System (NGFS)
- OECD
- SITRA
- UNDP
- UN Environment Program (UNEP)
- United Nations Framework Convention on Climate Change (UNFCCC)
- The Commonwealth of Nations
- The World Bank
- World Resources Institute (WRI)

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.

Image credits

Coalition Secretariat

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