

New Member Application

The Coalition of Finance Ministers for Climate Action

Introduction

New Members are welcomed to the Coalition consistent with the Organization and Governance Charter and the Explanatory Note to the Organization and Governance Charter.

Key considerations include the following (more detail in Annex 1):

- The Coalition consists of Finance Ministers, given their mandate over economic, fiscal and financial policy.
- Membership to the Coalition is obtained by a membership request by the Finance Minister and a confirmation by the Coalition.
- Members endorse the Coalition's Helsinki Principles upon becoming a member and commit to actively contribute to the objectives of the Coalition.
- Ministerial involvement reflects political engagement for climate action by: i) providing guidance on strategic directions and work priorities; ii) undertaking outreach in international forums; iii) engaging in dialogue with stakeholders; and iv) communicating to the public.

Steps to Joining the Coalition

Having decided to join the Coalition based on: (a) political commitment to addressing climate change through economic, fiscal and financial policy, (b) readiness to share knowledge and provide mutual support to the Coalition, membership is obtained by the following steps:

Step 1: Submit this New Member Application, containing the Helsinki Principles Endorsement Form (page 3) and Deputies Nomination Form (page 4), to the Coalition Secretariat via coalitionsecretariat@financeministersforclimate.org.

Step 2: Receive confirmation of Membership from Coalition Members on an absence-of-objection basis.

Please complete pages 3 and 4 of this application form and email it to the Coalition Secretariat (coalitionsecretariat@financeministersforclimate.org), CCing Ralien Bekkers, The Netherlands Co-Chair Deputy (r.c.bekkers@minfin.nl) and Masyita Crystallin, Indonesian Co-Chair Deputy (masyita.crystallin@kemenkeu.go.id).

The Helsinki Principles

We, as Finance Ministers from around the world:

Cognizant that climate change poses a significant threat to our economies, societies, and environments, including risks to economic growth and macroeconomic stability, and that there is an urgent need to accelerate action;

Recognizing that climate change is also an opportunity, and that taking action can generate substantial benefits for our societies by stimulating technological innovation, improving human well-being, and accelerating economic growth;

Noting our unique position as Finance Ministers to help accelerate a just transition to a low-carbon and climate resilient economy through macroeconomic and fiscal policy, public financial management and, where applicable, financial regulation;

Acknowledging that such policies and actions will support global collective action on climate change under the Paris Agreement;

Cognizant that Finance Ministers have a common purpose, and can benefit from a forum for sharing experiences and facilitating the adoption of best practices and policies for low-carbon and climate-resilient growth; and

Supported by technical assistance from development partners.

Hereby establish a Coalition of Finance Ministers to demonstrate our leadership in the response to climate change, wherein we will operate within our national framework, competencies, and mandate to support the following principles:

1. Align our policies and practices with the Paris Agreement commitments
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
3. Work towards measures that result in effective carbon pricing
4. Take climate change into account in macroeconomic policy, fiscal planning, budgeting, public investment management, and procurement practices
5. Mobilize private sources of climate finance by facilitating investments and the development of a financial sector which supports climate mitigation and adaptation
6. Engage actively in the domestic preparation and implementation of Nationally Determined Contributions (NDCs) submitted under the Paris Agreement

Helsinki Principle Endorsement Form

We are pleased to announce that <COUNTRY> is joining the Coalition of Finance Ministers for Climate Action.

We hereby endorse the Helsinki Principles and commit to contributing actively to the objectives of the Coalition.

<Signature of the Minister>

<Name of Minister>

<Name of Department/Ministry>

<Country>

<Date/Month/Year>

Deputy Nomination Form

Please fill in the contact details of the nominated Deputies to the Coalition. The Deputy should be a senior official in the finance ministry. If desired, please fill in the contact details of an additional representative who will also partake in Coalition activities. To add additional individuals to the Coalition's internal distribution list, please email the Secretariat: coalitionsecretariat@financeministersforclimate.org.

Part 1) Deputy	
Salutation (Mr., Ms., etc.)	
Full Name	
Job Title	
Unit/Department/Ministry	
Email Address	
Mailing Address	
Telephone	Office: +
	Mobile: +
Part 2) Additional Representative (OPTIONAL)	
Salutation (Mr., Ms., etc.)	
Full Name	
Job Title	
Unit/Department/Ministry	
Email Address	
Mailing Address	
Telephone	Office: +
	Mobile: +

Annex 1: Additional Membership Information

Relevant excerpts from the Organization and Governance Charter

(Full text available [here](#))

Membership

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

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

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

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

Role of Members

Members responsibilities and tasks include:

- Contributing to the Coalition's work by co-leading or actively engaging in at least one workstream
- Enhancing domestic and international awareness while actively participating in events promoting Coalition objectives
- Overseeing and providing feedback on the progress and performance of the Coalition's work
- Responding to member surveys
- Providing financial contributions to the Coalition's core activities if possible

Relevant excerpts from the Explanatory Note to the Organization and Governance Charter

Membership

As is common in international fora, 'Ministers of Finance' broadly refers to Ministers or Secretaries leading government departments with responsibility for economic policy, planning, public finances and financial systems. It is recognized that mandates of 'Finance Ministries' vary across countries. In some countries, the portfolio of Finance Ministers may not include functions such as financial regulations or economic policy planning. Reflecting their portfolio, they may be called Ministers of 'Finance and Economy', Ministers of 'Finance and Planning', or Ministers of 'Economy'.

A commitment to the objectives of the Coalition is a crucial part of membership. A willingness to contribute and progress the Coalition's objectives is confirmed and demonstrated through active participation in Helsinki Principle Working Groups and through active cooperation with other member states on pursuing the Coalition objectives as set out in the Action Plan. In this context, responding to the questionnaires (surveys) on the Helsinki Principles is a key demonstration of engagement.

'Members' refers to Finance Ministries of participating countries. Ministries are represented by Ministers and Deputies. If the Finance Minister is unable to participate, she/he will be represented by the Vice-Minister or State Secretary in a usual way. In some cases, the Deputy has been specially mandated and deputized by the Ministers. While national practices differ, Deputies should represent sufficient seniority and continuity.

Membership is valid until a Member resigns from the Coalition by a written notice signed by the Minister of Finance. The resignation note is addressed to the Co-Chairs of the Coalition with a copy to the Secretariat and Deputies Co-Chairs.

Membership can also end due to a breach towards the Coalition. This can be, for example, a malicious act against the Coalition and its objectives.

Role of Members

Highest-level representatives of Members are Finance Ministers. Deputies are senior officials designated to represent the Minister while ensuring the Minister's full engagement. If Ministers' views are needed in order to advance the Coalition's work in between Ministerial meetings, Deputies are expected to manage this.

Each Member is expected to appoint an expert in at least one of the Work Streams. This does not mean the Deputy himself/herself, but a professional expert of that field of work in the Ministry. Engagement and dedication of resources do not mean that extensive human resources need to be appointed. Still, the active involvement of Deputies and sufficient engagement in the key work areas is expected. It is recognized that Finance Ministries are in the process of developing competencies on climate matters.

Annex 2: Explanatory Note to the Helsinki Principles

This note provides explanatory information for potential signatories ('Members', comprising Finance Ministers) to the Coalition Principles, as drafted during the Deputy meeting of 21-22 February 2019 in Helsinki, Finland, and subsequently refined.

The Helsinki Principles ('Principles') are the shared principles of the Coalition of Finance Ministers for Climate Action (the 'Coalition').

The Coalition is a grouping of Finance Ministers committed to taking collective and domestic action on climate change and achieving the objectives of the Paris Agreement. The Principles are aspirational and serve to give common purpose to countries.

This note clarifies language contained in the Principles to guide Finance Ministers in their understanding of the Principles and provides illustrative examples of actions that can be taken. This note does not bind signatories to specific measures nor does it form part of the Principles themselves. The list of potential measures mentioned below is not exhaustive, nor does it imply an order of importance or priority, nor is it prescriptive. The specific responsibilities of Finance Ministers may differ from one country to another, and it is acknowledged that Coalition Members work within their respective mandates to implement the Principles.

The Principles mention the support of technical assistance from development partners. The World Bank has relevant programs such as CAPE and the NDC Support Facility. Other institutions like the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), UNFCCC Secretariat, UN Development Programme (UNDP) and other UN agencies, and the NDC Partnership also provide technical assistance and analytical support to countries and have been following the Coalition as observers.

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HP1: Align our policies and practices with the Paris Agreement commitments.

'Paris Agreement commitments' refer to countries' respective commitment and contribution to the Paris Agreement and its objective to hold the increase in the global average temperature to well below 2° C and pursue efforts to limit the temperature increase to 1.5° C above pre-industrial levels. Countries' commitments to prepare, communicate and maintain a Nationally Determined Contribution (NDC) contribute to this objective. It also refers to the commitment to make finance flows consistent with a pathway towards this objective and increasing countries' ability to adapt to the adverse impacts of climate change.



HP2: 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.

‘Policies and practices for climate action’ refers to actions supporting climate change mitigation and adaptation and spurring investments. Sharing of experiences and expertise between Members could take place at regular ministerial or working-level meetings, bilateral or multilateral visits, exchanges of staff (secondments), and other ways to generate peer learning and collective understanding among Members. Members or groups of members could also take up the role of global or regional ‘Champions’, hosting workshops and other peer-exchange mechanisms among finance ministries of other countries supported by development partners.



HP3: Work towards measures that result in effective carbon pricing.

‘Carbon pricing’ refers to measures which put a price on the emissions of carbon dioxide or other greenhouse gases. Such measures provide incentives for emitters to reduce emissions, through energy conservation, increases in energy efficiency, or innovation and dissemination of low-carbon technologies. Effective carbon pricing means that countries adopt measures to achieve carbon price levels that are sufficient to incentivize the emission reductions needed to meet their own emission reduction targets, subject to their national circumstances, and with a view to reaching carbon price levels consistent with the Paris Agreement’s longterm objectives.

Such carbon pricing measures could include:

- Reducing or eliminating fossil fuel subsidies;
- Taxes and tax-like measures, in particular carbon taxes but also including fuel taxes, environmental duties, levies, and charges which are scaled in accordance with carbon emissions;
- Emissions trading systems (ETs) and similar permit-based or crediting mechanisms; and
- Regulatory policies which result in an implicit marginal price on carbon, such as tradeable performance standards.



HP4: Take climate change into account in macroeconomic policy, fiscal planning, budgeting, public investment management, and procurement practices.

Taking climate change into account in policies and practices referred to here could, inter alia, include:

- 'Macroeconomic policy' – consideration of climate change targets, risks, vulnerabilities and policy objectives in economic forecasts, debt sustainability analyses, fiscal risk assessments and other macroeconomic policy instruments; tracking of tax expenditures on fossil fuels and tax incentives for the consumption and production of fossil fuels, feed-in tariffs, investments in low-carbon technologies, and other relevant incentive measures;
- 'Fiscal planning'– consideration of climate change targets, risks, vulnerabilities and policy objectives in the formulation and implementation of fiscal plans and frameworks and when undertaking expenditure reviews and program evaluations used to inform fiscal policies;
- 'Budgeting' – integration of climate change policy considerations in budget guidelines, pre-budget statements and budget documents and the tagging of climate-related expenditures, including those that have either a positive or adverse impact on climate outcomes, such as fossil fuel subsidies;
- 'Public investment management' – integration of climate change considerations and policies in the guidance, procedures and methodologies used for program and project selection and appraisal, including the use of a shadow price of carbon in economic analysis and appropriate assessment of climate change risks and vulnerabilities; and
- 'Procurement'– integration of climate change considerations in the guidance, procedures and methodologies for public procurement, including appropriate measures to improve energy-efficiency and favor low-carbon solutions.



HP5: Mobilize private sources of climate finance by facilitating investments and the development of a financial sector which support climate mitigation and adaptation.

'Climate finance' in this context refers to finance which aims at reducing emissions, enhancing the removal of greenhouse gases, or reduces the vulnerability of human, infrastructure, and ecological systems to negative impacts of climate change. A financial sector which supports climate change mitigation and adaptation is one which incorporates the risks and opportunities resulting from climate change into investment decision making and leads to increased flows of climate finance.

Measures which Finance Ministers could take to mobilize private sources of climate finance could include policies and practices which:

- Promote or develop a financial sector that supports climate change mitigation and adaptation, such as the voluntary disclosure of exposure of financial institutions and real sector companies to carbon-intensive sectors and climate risks;
- Promote cross-border investments supporting climate change mitigation and adaptation;
- Promote financial flows through loans, guarantees, grants and other risk-sharing instruments, long-term credit lines, by engaging institutional investors, as well as through tax-advantaged provisions for financial instruments such as green bonds, capacity building for financial sector stakeholders, and provision of data;
- Promote climate finance in the real sector through grants, blended finance, R&D exemptions, national procurement policies, direct fiscal stimulus, development and dissemination of rules for the disclosure of greenhouse gas emissions, risks and opportunities due to climate change, and capacity-building efforts, in addition to the incentives provided by carbon pricing (Principle 3) and other measures which seek to provide an enabling environment for the private sector;
- Encourage domestic public financial institutions or funds to include climate change mitigation and adaptation in their key strategic frameworks, or to consider climate change objectives in their investment risk assessment and decision-making, or to support relevant public private partnerships;
- Support an active role for international financial institutions (IFIs) in mobilizing finance for climate change mitigation and adaptation and aligning their activities with the objectives of the Paris Agreement.



HP6: Engage actively in the domestic preparation and implementation of Nationally Determined Contributions (NDCs) submitted under the Paris Agreement.

Active engagement in domestic preparation and implementation of NDCs could include:

- Taking a leading role in the formulation and update of NDCs or supporting government entities responsible for NDCs;
- Working with other ministries and financial institutions to ensure that policies are coordinated, coherent and aligned with the achievement of the NDCs;
- Providing technical input relevant to NDC formulation, such as macroeconomic forecasting, least-cost pathways for emissions reduction, and costing guidelines for specific measures;
- Supporting the integration of NDC requirements into climate-informed appraisal and analysis of policies and programs sponsored by other ministries; and
- Coordinating technical assistance and financing provided by international institutions for NDC preparation and the integration of NDCs in government's policies, programs and procedures.