

# 9th Ministerial Meeting of the Coalition of Finance Ministers for Climate Action

World's leading finance ministers take next steps on climate change and a socially just transition



**Washington DC, 14 April 2023:** The Coalition of Finance Ministers for Climate Action, a grouping of the world's leading fiscal and economic policymakers, gathered in Washington DC to make sure climate change and a socially just transition to a low-carbon economy are firmly on the macro-economic and fiscal agenda.

The coalition, consisting of 84 major Finance Ministries and 26 Institutional Partners, came together at the World Bank and IMF 2023 Spring meetings to: 1) publish a [new guide](#) that supports climate action by finance ministries, and 2) discuss the next steps on 'transition finance'.

To help secure the double dividend of poverty reduction and thwarting climate breakdown, Finance Ministers launched a new report: '[Guide for Ministers and Ministries of Finance on Strengthening the Role of Ministries of Finance in Driving Climate Action](#)'. 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.

The new Co-Chair of the Coalition, Deputy Prime Minister and Minister of Finance from the Netherlands, Sigrid Kaag, said:

*"The global transition towards a socially just low carbon economy presents unprecedented challenges but immense opportunities. The gathering of the Coalition is a unique forum where members can have an open discussion about their respective policy challenges, and plan the next steps for tackling climate breakdown whilst simultaneously creating new jobs, boosting energy security, and reducing poverty."*

Finance ministers also acknowledged that our global 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 urged the establishment 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 that they can play a bigger role in supporting private sector net zero transition – [using soft and regulatory power](#).

The existing Co-Chair and Finance Minister for Indonesia, Sri Mulyani further explained the importance of transition finance:

*"Climate and development are two sides of the same coin; fragmenting the two will drive resource competition and division in our efforts to achieve the Paris Agreement targets. To align with the Paris Agreement, scaling up transition finance is extremely important as it supports activities that promote a long-term and strategic transition towards a low-carbon economy.*

*Therefore, we need to develop a transition finance ecosystem that enables sufficient mobilization of transition financing. This includes developing clear and globally accepted definitions of transition activities and taxonomies that acknowledge transition activities. Additionally, it is equally important to establish the institutions to support the interoperability of transition finance mobilization, such as globally-accepted registry and verification bodies."*

On the ground, finance ministers acknowledged that many countries lack the technical know-how to realize a sustainable change and the transition to a low-carbon society. To move from thought leadership to policy practice, the coalition is supporting through a variety of programs, the development of new knowledge and competencies – building capacity – to implement these new policies and processes.

Having provided incredible and hardworking leadership for the Coalition over the last four years, and having played a crucial role in the abovementioned publication of [the guide](#), outgoing Co-Chair Minister of Finance for Finland Annika Saarikko said:

*"The Guide reflects the magnitude of actions ahead for Finance Ministries in mainstreaming climate into the in the economic, fiscal and financial policies. The Coalition will be a strong network in supporting these actions. It has been great privilege leading the Coalition in the past four years, first with Chile and then with Indonesia, working together with more than 110 finance ministries and partners. We wish the Netherlands success in taking the lead from today onwards, together with Indonesia."*