

Strengthening the Role of Ministries of Finance in Driving Climate Action

A Framework and Guide for Ministers and Ministries of Finance

Accelerating financing for climate action: Progress across the Asia-Pacific region RA0

TCS80 MPFD Side Event, Thursday, 25 April 2024, 12.45-13.45 hrs

Pekka Morén, Special Representative of the Finance Ministry, Finland, and Co-founder of the



Slide 1

RA0

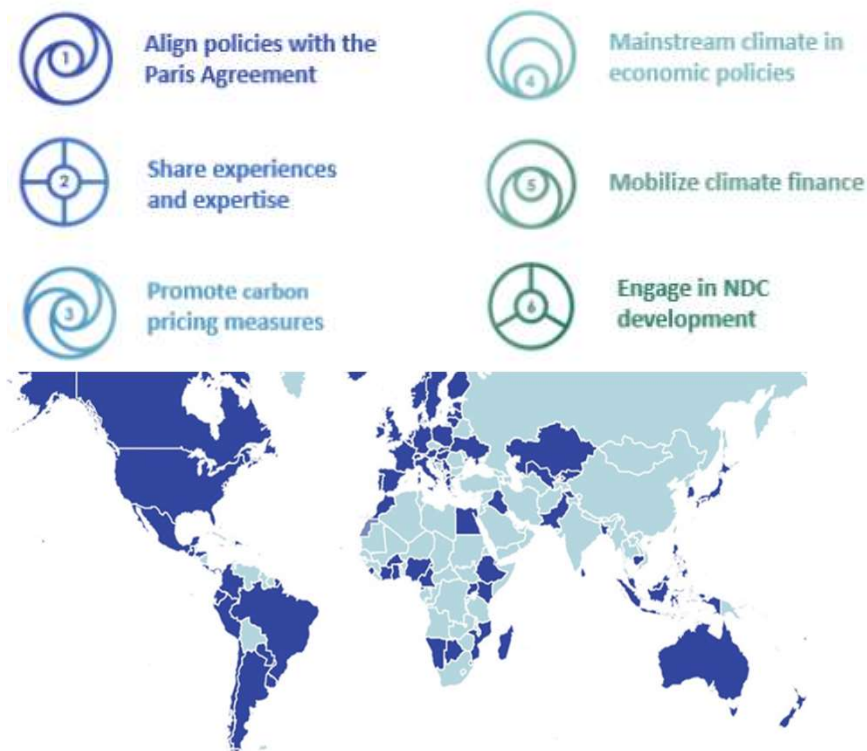
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The Coalition of Finance Ministers

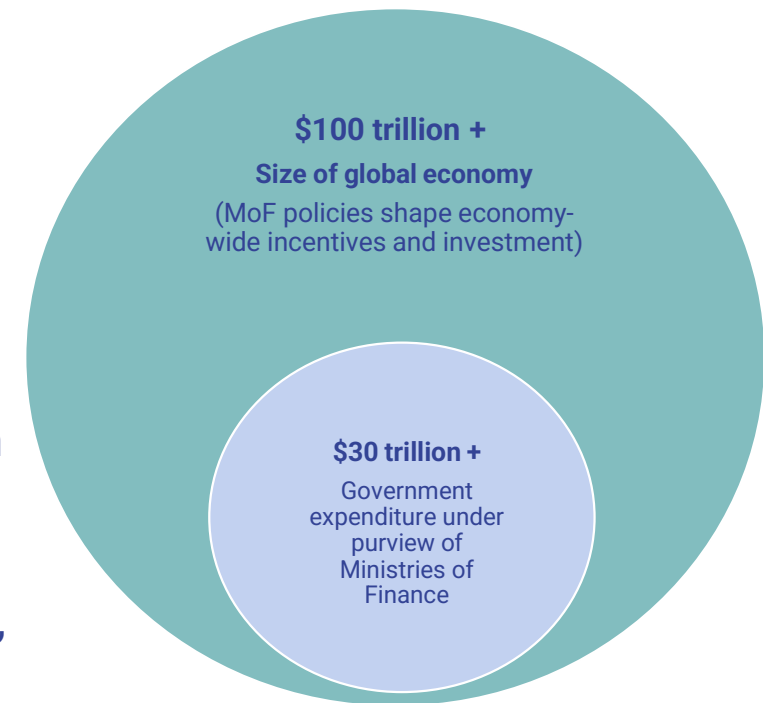
The Coalition of Finance Ministers for Climate Action is a global initiative established in 2019.

- **90+ members** (and observers)
- **26 Institutional Partners**
- Representing 40% of global CO₂ emissions and 65% of global GDP
- Co-chairs from Netherlands and Indonesia
- The World Bank Group/International Monetary Fund host the Secretariat
- Regular Ministerial, Deputy and Expert level events



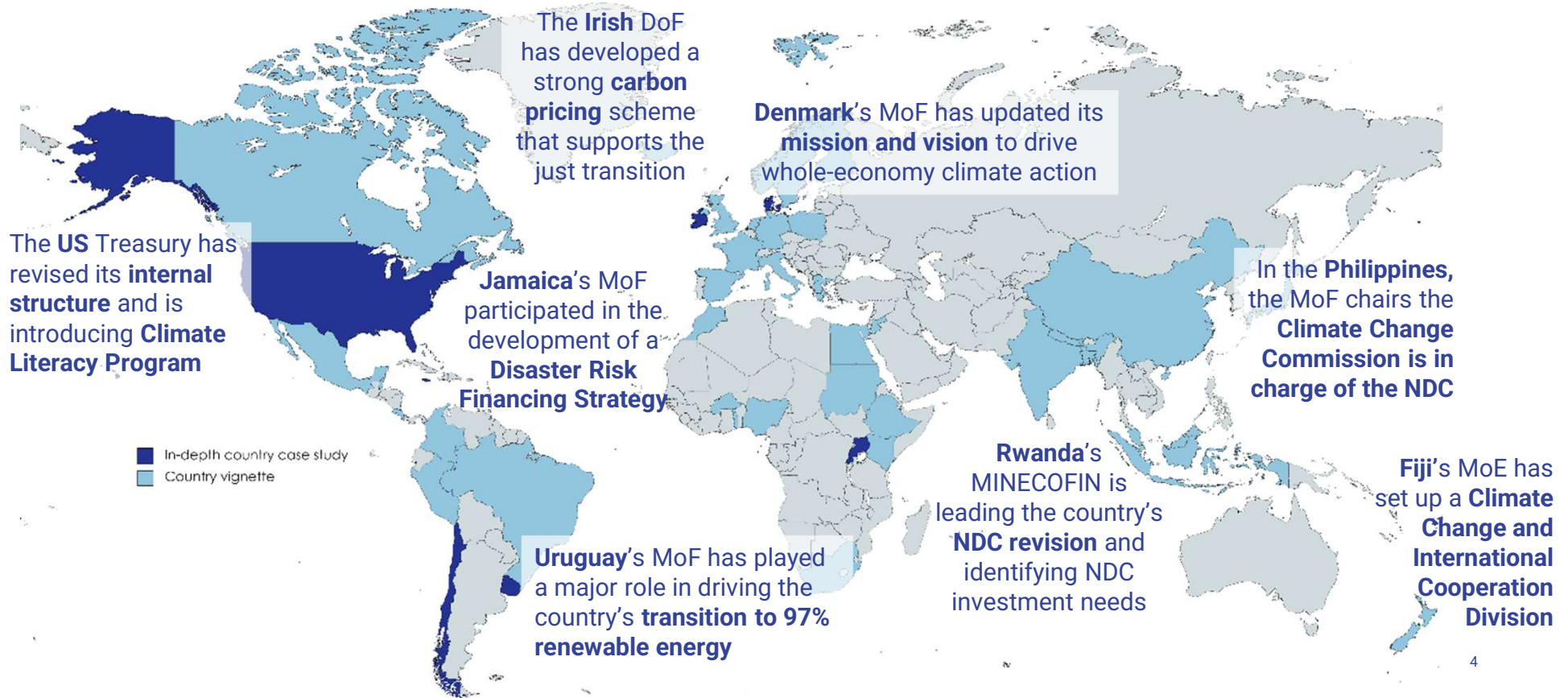
Ministries of Finance key actors in mobilizing green finance and investments

1. **Economic policy** and shaping national strategies and investment plans
2. **Fiscal policy** with **overseeing government expenditure and revenues**
3. **Financial policy** and debt management instruments
4. Shaping markets for **sustainable finance** as regulator (with CBs)
5. **State-ownership policy steering** as shareholders in enterprises, in development banks, sovereign wealth funds, etc.
6. Active engagement in the **international network** of Finance



Ministries of Finance are stepping up...

There are a growing number of examples of visionary leadership by Finance Ministers, including 100+ featured in the guide



...but Ministries of Finance face many barriers to engage in climate action, especially:

1. Limited **awareness and willingness** to engage on climate change
2. Lack of specific **mandates and weak institutional basis** for proactive involvement in the government's climate agenda
3. Limited **expertise, technical capacity and tools**
4. Lack of **strategic vision** of the impacts of climate change and transition to public finances and the economy

The guide presents a **framework** that Ministries of Finance can use to **overcome barriers** to action and inspire and inform mainstreaming climate action within core functions and capabilities.

A Framework Guide for Climate Action

MAINSTREAMING CLIMATE ACTION INTO MINISTRY OF FINANCE CORE FUNCTIONS AND CAPABILITIES



HPs = Helsinki Principles. Read more at: www.financeministersforclimate.org/

The actions set out in the guide will be supported by scaling up wide-ranging initiatives and programs to build the capability and capacity of Coalition members.

From Guide to Action

The Coalition will disseminate the guide and support its members through:

**Presentation Events
and
Ambassador Network**

**Capacity Building
and
Technical Support**

**Knowledge
and
Research**

**Dialogue with Ministers
and
Senior Stakeholders**

Update of the Guide by 2025 in close co-operation with members and IPs

Capacity Building and enhanced Knowhow in 2024-2025: avenues to access support, best expertise and research networks

Support	<p>1. CFMCA Capacity Building Catalogue Suite of established climate-related capacity building programs provided by IPs</p>	<p>2. Coalition for Capacity Creation on Climate Action (C3A) Tailor-made demand-driven capacity building to build bespoke analytical toolkits</p>	<p>3. NDC Partnership Mechanism (For EMDEs) Matchmaking between country needs and technical/financial support from partners</p>
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 • UNDP, UNEP 	<ul style="list-style-type: none"> • Program pays particular attention to initial needs assessment • Regional and thematic hubs play an essential role in connecting specific capacity-building needs to 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. 	<ul style="list-style-type: none"> • Countries submit support request through NDC Partnership mechanism • Requests go out to over 80+ implementing and development partners from the network, such as: <ul style="list-style-type: none"> • Support for MoFs in NDC/LTS process • climate risk modelling • Incorporating climate actions in PFM • 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 MoFs

Thank you!

available here: www.financeministersforclimate.org/reports

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