

ORGANIZATION AND GOVERNANCE CHARTER OF THE COALITION OF FINANCE MINISTERS FOR CLIMATE ACTION

APPROVED BY MINISTERS ON OCTOBER 12, 2020

LAST REVISED ON OCTOBER 21th, 2024

A. GENERAL PROVISIONS

The Coalition of Finance Ministers for Climate Action (the ‘Coalition’) is a Minister-level group guided by the Helsinki Principles with the objective of mainstreaming climate change and nature considerations in economic and financial policies and public finance, as well as promoting domestic and global action to address climate change. It aims to achieve this by:

- i) facilitating the exchange of expertise and experience on relevant policies;
- ii) serving as a forum to promote common standards and best practices; and
- iii) supporting coherent and coordinated responses to climate change issues.

B. MEMBERS, OBSERVERS AND PARTNERS

Membership

The Coalition consists of Finance Ministers or the Ministers responsible for economic, fiscal and financial policy (“Members” or “Member Countries”).

Membership to the Coalition is obtained by the prospective Finance Minister submitting a membership request to the Coalition Secretariat, followed by a confirmation by Members through a no-objection, lapse-of-time procedure. The submission must include an endorsement of the Coalition’s Helsinki Principles and a commitment to actively contribute to the objectives of the Coalition.

Prospective 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 Member addressed to the Co-Chairs.

Each Member nominates a Deputy and an Alternate Deputy (“Alternate”) as their representative in the day-to-day proceedings of the Coalition.

Involvement of other ministries with traditional Ministry of Finance competences

Finance Ministry competences and responsibilities vary across countries. In some cases, traditional Finance Ministry functions related to fiscal or financial policy may fall under the purview of other ministries, such as a Ministry of Budget, Ministry of Taxation or other entities such as Financial Regulators. Members

actively share the Coalition's work with these entities that carry out typical Ministry of Finance functions, and where relevant, involve them in the technical work of the Coalition.

Role of Members

Ministerial involvement reflects political engagement for climate action by: i) providing guidance on strategic directions and work priorities of the Coalition; ii) undertaking outreach in international fora; iii) engaging in dialogue with stakeholders; and iv) communicating to the public.

Members periodically review the Coalition's overall objectives and setup; endorse the 'Work Program' on a multi-year basis, give strategic direction and review progress and performance of the Coalition's work. Members or their Deputies also approve reports and joint statements released by the Coalition.

Deputies are tasked to fulfil the Work Program and respective annual work plans, manage the technical work and prepare and follow up on the Ministerial meetings.

Members commit to contributing actively to the Coalition's work, including by participating in the work of at least one Coalition Workstream, being engaged in meetings, and responding to surveys, and dedicate resources to support their participation. Members are expected to

- actively communicate on commonly agreed messages and the Coalition's objectives,
- raise awareness of the Coalition's work in domestic and international fora; and
- participate in regional and other events that promote the Coalition's objectives.

Observers

Non-member countries that are considering membership and would like to first observe how the Coalition works, can request Co-Chairs to obtain "Observer" status.

Observers are allowed to attend Coalition meetings and events at Deputy level for a period of six months. After six months, the Observer is required to decide whether or not to put in a formal request to become a Member. If no request is submitted after this period, the status as Observer is revoked.

Observers do not take part in decision-making processes or approvals. Observers can take part in Coalition surveys, except for the Climate Action Statement. They may provide inputs to technical working group discussions and outputs.

Co-Chairs can decide to extend the Observer period.

Partners

"Partners" refer to organizations that participate in and contribute to the Coalition's work, attend events and may be consulted. However, Partners do not take part in any decisions made by Members.

The status of Partner is obtained by submitting a request to the Secretariat, followed by confirmation by Members through a No-Objection, Lapse-of-Time Procedure.

Partners are either classified as Institutional Partners or Knowledge Partners, depending on the scope of their contribution to the Coalition's mandate and work.

Co-Chairs can invite “Guests”. These are organizations or individuals that are not a Partner, but whose support can be relevant to Coalition work on a time-limited basis. Guests can participate in events, projects or be involved in technical work on an ad-hoc basis.

C. ORGANIZATION AND WORK CONCEPT

The organizational structure of the Coalition is as follows:

Co-Chairmanship

The Coalition is led by two Members as Co-Chairs. Members select among themselves two Co-Chairs to lead the Coalition’s work. The Coalition aims to represent the diversity of its Members with respect to geography and level of economic development, by seeking to select one Co-Chair from an advanced economy, and one Co-Chair from an emerging market or developing economy.

The Co-Chairs will serve for an initial term of two years. Co-Chairs may request the Coalition to extend their Co-Chairmanship by two one-year terms, until the Co-Chair has served a maximum of four years.

To ensure stability in the leadership of the Coalition, changes of Co-Chairs take place at least six months apart from each other. During the Co-Chair transition period, the sitting, outgoing and incoming Co-Chairs work together in a cooperative fashion.

The Co-Chairs convene and chair Coalition meetings, make proposals on the organization of the work and common policy directions, and represent the Coalition where necessary.

The Co-Chairs are entrusted to speak on behalf of the Coalition or represent their interests as described in this Charter.

The operational leadership of the work is entrusted to the Deputies of the Co-Chairs. Co-Chair Deputies are high-level finance ministry officials nominated by their Minister. Incoming Co-Chairs appoint their Deputy well before the start of their term.

The Co-Chairs may convene a steering group, invite advisors or use other appropriate ways to provide guidance to the overall work of the Coalition.

The Secretariat

The Secretariat is responsible for supporting the leadership, work and efficient functioning of the Coalition.

The Secretariat is hosted by the World Bank and the IMF. The functions of the Secretariat are further elaborated in the Memorandum of Understanding signed between the Coalition, the World Bank and the IMF. The support of the World Bank and the IMF for the Secretariat will be separate and distinct from their roles as Partners to the Coalition.

The Secretariat is led by the Secretary, acting on full-time basis, with sufficient seniority, experience and skills, as well as understanding of the Coalition’s objectives. The Secretary is accountable to and directly reports to the Co-Chairs. The Co-Chairs participate in the selection process of the Secretary and other World Bank Secretariat staff.

World Bank staff assigned to the Secretariat will be administratively accountable to World Bank management, while being operationally accountable to the Coalition Co-Chairs. Staff supporting the objectives of the Coalition are thereby fulfilling their duty to the World Bank.

The responsibilities of the Secretariat are the provision of administrative, logistical and technical support to the Coalition and Co-Chairs in achieving its objectives. Under Co-Chairs guidance, specific duties and tasks of the Secretariat include:

- i) Providing strategic and technical advice to the Co-Chairs and Members;
- ii) Organizing meetings and events called by Co-Chairs and Members;
- iii) Supporting the activities and organization of Workstreams;
- iv) Managing the information and documentation of the Coalition;
- v) Maintaining the Coalition's website and members portal;
- vi) Monitoring progress, preparing and publishing the Annual Report;
- vii) Assisting in the preparation and publication of the Climate Action Statement;
- viii) Preparing an annual budget and staffing plan with the Co-Chairs for approval by Members;
- ix) Preparing documents, papers, speaking points and minutes for the Co-Chairs and the Coalition;
- x) Facilitating collaboration among Members and Partners;
- xi) Assisting Co-Chairs and World Bank and the IMF in securing funding for the Coalition
- xii) Providing transparent information on fundraising and expenditure progress and Secretariat performance to Co-Chairs
- xiii) Preparing and conducting at least one meeting per year between Co-Chair teams and World Bank/IMF high-level representatives
- xiv) Managing the Coalition's membership and supporting the efforts of Co-Chairs to recruit new Members and Partners, and strive to activate Members and Partners

The Secretariat can expect to be adequately staffed to carry out its tasks. The staffing of the Secretariat and resources to support the Coalition's work are reviewed annually as part of work planning.

Based on needs expressed by Members, Co-Chairs may seek other Partners to perform additional functions in support of the Coalition.

Work Program

The Members endorse the Coalition's Work Program, having the opportunity to propose topics and areas of work. The Strategic Work Program is generally set for a multi-year period but reviewed and adjusted on an annual basis to reflect new developments and emerging priorities.

Workstreams

Workstreams are established in line with specific goals set out in the Work Program. Representatives of each Member are expected to participate in at least one Workstream. Each Workstream is led or co-led by a Member ("Country (co-)leads"). Lead roles shall be reviewed annually in the context of Work Program updates. Country (co-)leads guide, facilitate and coordinate activities within the Workstream, supported by the Secretariat and Partners.

Work Plans

The overall Strategic Work Program of the Coalition for a multi-year period is complemented by workplans for each workstream that are updated by members of the Workstreams on an annual basis. Co-Chairs meet with Workstream Country (co-)leads twice yearly to review progress on the work plan implementation, discuss potential challenges, and offer support from Co-Chairs and Secretariat.

Regional Activities

The Coalition has a broad global reach, with members from all geographic regions, different time zones, levels of development and different climate challenges. Coalition activities may be organized also at the regional level, while ensuring events are open to all Members and Partners and that the main results and outcomes are shared and communicated with the rest of the Coalition.

Meetings and Events

i) Ministerial Meetings

The Coalition meets at the Ministerial level in formal composition at least once a year, during the WB-IMF Annual Meetings. A second formal Ministerial meeting is organized during the WB-IMF Spring Meetings. Ministers are generally also convened during the annual UN climate summits (COP). Co-Chairs convene Ministerial meetings. Ministers may also gather in a more informal, thematically focused or regional format. Meetings may also be organized in virtual format.

ii) Deputies Meetings

Deputies meet regularly to advance implementation of the Work Program and prepare the Ministerial meeting. Deputies convene at least once a year in-person, but meetings are mainly organized monthly in virtual format. Deputy meetings may also be organized in the context of Ministerial meetings or on the sidelines of other international meetings taking place physically. Physical meetings may be hosted by Members or Partners, or jointly, and will be supported by the Secretariat.

iii) Workshops and Seminars

The Coalition organizes workshops and seminars to gather expertise, exchange experiences, develop knowledge, and build a common understanding. Workshops are generally organized with the close involvement of Workstreams and guided by Members in terms of focus and case studies.

D. DECISION-MAKING AND FINANCING

Decision-making

The Coalition aims for unanimity. If unanimity is not achievable, Co-Chairs may propose a vote.

The Coalition recognizes the authority of Deputies to act on behalf of the Minister as follows:

Tasks	Authority recognized by the Coalition
Accept new Members	Ministers or Deputies
Accept new Partners	Deputies
Review the Coalition's overall objectives and setup	Ministers or Deputies
Endorse the Work Program	Ministers
Review progress of the Coalition's work	Ministers or Deputies

Endorse Charter	Ministers
Endorse the Co-Chairs	Ministers
Approve reports and statements released by the Coalition	Ministers or Deputies

Financing

Membership of the Coalition is free of charge.

Operating costs of the Coalition, including the cost of the Secretariat, are borne by Members on a voluntary basis. Members, Partners and other institutions can provide in-kind support to the Coalition, including but not limited to, staff secondments to the Secretariat.

Members and Partners may agree to finance specific projects based on their interest and the project's merits. If financial resources are provided by Members, a dedicated arrangement will be established, safeguarding the Coalition's interests and aims. Expenditures and sources of finance shall be reviewed annually.

The Secretariat prepares an annual budget and staffing plan with the Co-Chairs for approval by Members. The Secretariat shall monitor and administer the use of funds, and provide transparent expenditure information to Co-Chairs as well as Members at least once a year, based on broad expenditure categories as per World Bank and IMF rules and procedures.

Financial and in-kind contributions do not bestow upon the contributor the right to define the priorities of the Coalition's work program or to unduly influence the outcome of its work. Any contribution made to the Coalition has no bearing on the fact that the Coalition is and remains a member-driven organization.

E. TRANSPARENCY, PRODUCT OWNERSHIP AND EXTERNAL RELATIONS

Transparency, Public Information and Product Ownership

The Coalition obeys maximal transparency towards its Members in carrying out its activities. Ongoing technical and preparatory work and meeting deliberations are not publicly accessible.

The documents and materials produced by the Coalition are approved by the Members or Deputies prior to their publication.

The documents and outputs developed in the context of the Coalition are owned by the Coalition, not by Partners that were involved in their creation.

External Relations

Beyond its Members and Partners, the Coalition engages with other stakeholders through the publication of reports, the organization of public events, participation in events organized by stakeholders and partners, public statements, press releases, its website and other ways that the Co-Chairs see fit.

F. FINAL PROVISIONS

Legal Effect

These governance arrangements, including the Charter and the Operations Manual, are not intended to create any legal rights or obligations, including any regulated by international law.

Review of Charter

The Coalition has set its provisions for governance arrangements and its activities in this Charter, which will be reviewed periodically, but at least once every three years.

Working Arrangements

The operational and administrative aspects of Coalition functions and governance arrangements are defined in more detail in the 'Working Arrangements' document that is reviewed at least annually.

Effective date

These provisions came into effect on 12 October 2020.

ANNEX I – LIST OF REVISIONS OF THE CHARTER

1. Revised on October 5th 2021.
2. Revised on October 21st 2024.