

## Operations Manual

The Operations Manual for the Secretariat of the Coalition of Finance Ministers for Climate Action is a document that describes the working procedures, reporting lines, governance and decision-making processes, and accountabilities for the Secretariat function.

### Background, members and workstreams

The Coalition is a grouping of Finance Ministers, formed in 2019 with an objective to take collective and domestic action on climate change and achieving the objectives of the Paris Agreement. The Coalition's mission, as set in 2023 Co-Chair Strategy (for the period of July 2023 till June 2025), is to empower Finance Ministers and Ministries to take a leading role in mainstreaming climate considerations in Finance Ministries' instruments, and in fiscal and economic policies internationally.

The Helsinki Principles ('**Principles**') are the shared principles of the Coalition of Finance Ministers for Climate Action (the '**Coalition**'). The Principles are aspirational and serve to give common purpose to countries, they do not bind Members to specific measures. The principles are the list of six potential measures, which is not exhaustive, nor does it imply an order of importance or priority, nor is it prescriptive. The Finance Ministers ('Coalition members' or '**members**') work within their respective mandates to implement the principles, however the specific responsibilities of each Member may differ from one country to another.

The Coalition, operating within members' national framework, competencies, and mandate is set 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.

As of February 2023, the Coalition also has three cross-cutting areas – Adaptation, Nature, and Green Transition.

The **Annual Work Program** of the Coalition is organized around the aforementioned six principles and three cross-cutting areas – currently forming nine **workstreams that are the basic structure determining the Coalition work and working groups**. The workstreams and working groups corresponding to workstreams are reviewed and adjusted annually as part of the work planning process based on members' interests and needs.

Institutional Partners (IPs) of the Coalition are organizations that play key technical and advisory roles in supporting the efforts of Finance Ministers in designing and implementing policies to address climate change. Institutional partners are particularly relevant in providing technical support to the nine workstreams.

The Coalition's work is organized around the Organization and Governance **Charter** of the Coalition, approved by the Ministers in 2020.

**Co-chairs** of the Coalition are elected for the period of two years, with the possible extension of two years. Co-chairs set up Coalition's strategy and play a leading role in the Coalition's management. The Secretary reports to Co-Chair Sherpas and is expected to communicate with them on a regular basis.

**Sherpas** are main focal points from each member country, representing their Minister. **Co-Chair Sherpas** are the ones communicating with the Secretary and guiding the Coalition's work on the daily basis.

### Secretariat, the Charter and the MoU

The Coalition's **Secretariat** is hosted by the World Bank and the International Monetary Fund (IMF). The modalities of hosting the Coalition's Secretariat are defined in the Memorandum of Understanding on Support to the Coalition of Finance Ministers for Climate Action and Hosting Arrangements for the Coalition Secretariat (the 'MoU') signed between the Coalition Co-Chairs, the World Bank and the IMF in 2021, a document that follows the principles laid out in the Charter. The Charter foresees a working structure driven by the Coalition Co-chairs, aided by the Secretariat.

Per the Charter, The Secretariat is responsible for supporting the leadership, work and efficient functioning of the Coalition. The responsibilities of the Secretariat are the provision of administrative, logistical and technical support to the Coalition and Co-Chairs in achieving its mission. Under Co-Chairs guidance, specific duties and tasks of the Secretariat include:

- i) Providing strategic 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;
- vi) Monitoring progress and preparing the Annual Report;
- vii) Preparing an annual budget and staffing plan with the Co-Chairs for approval by members;
- viii) Preparing documents, papers and minutes for the Co-Chairs and the Coalition;
- ix) Facilitating collaboration among members and IPs;
- x) Managing Coalition membership and supporting the efforts of Co-Chairs to recruit new members and IPs.

The Secretariat is led by the **Secretary**, acting on a full-time basis, with sufficient seniority, experience and skills, as well as understanding of the Coalition's mission. The Secretary is sufficiently accountable to the Co-Chairs. The Co-Chairs participate in the selection process and endorse the selection of the Secretary.

The MoU draws from the Charter and specifies both the roles of the World Bank and IMF as partners for the Coalition, as well as the setup of the Secretariat and the responsibilities of the hosting institutions.

The MoU reiterates the tasks outlined in the Charter as responsibilities for hosting the Secretariat, clarifying that the World Bank will be primarily responsible for the performance of the Secretariat functions and will be supported by the staff of the IMF as described in the MoU.

The MoU addresses the staffing rules and the composition of the Secretariat; the distinct Workplan for the Secretariat, based on member's demand; the Secretariat's authority and accountability to its members, and performance evaluation.

Funding for the Secretariat will be provided through donor contributions via the World Bank's trust funds, currently the Climate Support Facility, and the IMF, in the form of IMF staff time in support of the Secretariat and/or other technical or administrative support funded by donor

contributions via the IMF's trust funds. All funds expended or raised by the Secretariat will be subject to the World Bank and the IMF rules, as applicable.

The Operations Manual expands on the operational principles for the Secretariat, identified in the Charter (Annex 1) and the MoU (Annex 2).

### Staffing

The MoU stipulates that the Secretariat will be led by the Secretary, who will be a World Bank staff member, and be composed of staff from the World Bank and supported by staff members or contractual employees assigned by the IMF.

In addition, the Secretariat may accept secondees from other institutions, funded by their home institution, on a case-by-case basis and as agreed with the Secretary, Coalition Co-Chairs and the World Bank.

Secretariat staff assigned by the IMF will be IMF staff members or contractual employees who will allocate a portion of their time to the business of the Secretariat. The number of IMF personnel assigned to the Secretariat, and the time commitment, will be determined by IMF management, in consultation with the Coalition Co-Chairs. The IMF will be responsible for the actions of its staff members and contractual employees assigned to the Secretariat.

The Secretariat is placed in the World Bank and staffing assignment is organized so that the Secretariat forms a distinct unit. The World Bank commits to provide adequate physical space, IT resources, and other administrative services to support the day-to-day operations of the Secretariat.

### Hiring

The Secretariat is adequately staffed to carry out his/her tasks. The staffing of the Secretariat and resources to support the Coalition's work are reviewed annually as part of the work planning, Co-chairs confirming the needs and requirements.

The Coalition Co-Chairs as representatives of the Coalition will participate in the selection process for World Bank staff in the Secretariat, for example, by participating on the interview panel and endorsing the selections.

As a rule, the Secretariat staff hired to work full time for the Secretariat will be hired according to the World Bank open international hiring procedures.

Secretariat staff and consultants hired by the World Bank will hold such appointments following World Bank recruitment policies and procedures or be seconded to the World Bank under the World Bank's Global Secondment Program. The World Bank is responsible for the actions of its staff members assigned to the Secretariat.

### Structure

The Secretariat is expected to perform two main functions while supporting the Coalition: the coordination function and the expert advisory function. It is expected that the Secretariat consists of a core team of staff members at the minimum (6-8 persons), while the Coalition can adjust the exact profiles and number of staff annually during the work plan and staffing plan process, as foreseen in the MoU. The main structure consists of staff performing the following functions:

- Coordination function consists of (4 positions):
  - Coordinating the Coalition members work, offering logistical support to Co-Chairs and the Co-Chair Sherpas and liaising with and activating member countries.

- Coordinating the Institutional Partner relations, coordinating knowledge sharing and capacity building work (cross-cutting HP2 workstream) and strengthening partnerships.
- Ministerial meeting logistical and Coalition administrative support, preparing for two high-level ministerial meetings per year and supporting in-person sherpas and technical convenings.
- Communications coverage, managing online platforms for information-sharing, publications and media engagement.
- Climate expert function for facilitation the work program executing in the working groups, coordinating, and supporting workstreams on Work Program deliverables, and coordinating knowledge inputs from the Institutional Partners to the workstreams. While the exact ToRs for the experts will be precisely defined during the staffing process, they should have well pronounced competences in mainstreaming the climate policies in the following broad areas of Finance Ministries expertise (3 positions):
  - Financial sector policies
  - Macro-fiscal policies (modelling, fiscal policies and strategies)
  - Taxation and revenue policies

All core Secretariat members are involved in organization of the two ministerial meetings per year as Secretariat's principal task, IMF staff being primarily responsible for the Ministerial during the Annual Meetings and the Secretariat WB staff being responsible for the Spring meetings Ministerial. The Ministerial meetings build on the Coalition's ongoing activities and deliverables as outlined in the work program and offer members guidance for the future work.

The overall work of the Secretariat is coordinated by the Secretary at the World Bank, working closely with IMF focal points, who provide technical and strategic advice to the Coalition Co-chairs and members in areas consistent with the Fund's mandate, as well as administrative support in the organization of meetings and events, and support for the activities and organization of the Coalition's workstreams.

Moreover, based on Coalition priorities and members' evolving needs, rotating experts (consultants) may be temporarily hired to complement the Secretariat's main staff, such as regional advisors or topical experts. The secondees and consultants supporting the work are incorporated to the Secretariat based on annual work program and clearly defined needs. This may also apply to further administrative support functions.

The location of Secretariat staff can be determined to be flexible, using WB global facilities, if needed to accommodate smooth cooperation with Co-chairs and members across time zones.

### **Governance and Operational principles**

The Coalition is guided by its members per the Charter, MoU and Annual Work Program. Co-Chairs represent the Coalition's members. The Secretariat is guided by priorities outlined in the Coalition work program and provides coordination and expert support per the Secretariat structure. Funds for the Coalition's activities are mobilized by members and spent according to the Work Program and members' guidance, a process facilitated through the Coalition-specific funding window. The Coalition Secretary manages the Coalition budget and is accountable to Coalition Co-chairs.

The Secretariat is led by the Secretary, while the Secretariat staff reports to the Secretary. The Secretary and the Secretariat staff hold regular contact with the Coalition Co-chairs and are being tasked by the Co-chairs in line with the Coalition's mission, Secretariat's mandate and the Coalition's Work Program defined by its members.

The Secretariat plans its work to extend support to the whole of the Coalition's annual work program. Based on the workplan, the Secretariat is authorized by the Coalition to exercise their professional judgment on the best day-to-day means to deliver on the activities noted in the workplan, under the guidance of respective member leads and following the Co-chair strategy.

World Bank staff assigned to the Secretariat remain staff or contractual employees of the World Bank and will be administratively accountable to World Bank management. Regarding the Coalition work and its working structures, the Secretariat staff is operationally accountable to the Coalition Co-Chairs and Members leading the working groups. Staff supporting the objectives of the Coalition are thereby fulfilling their duty to the World Bank.

At least twice a year, conversations between Coalition Co-chairs and World Bank and IMF management are held on the climate-related policy issues stemming from the work, political priorities of the Coalition, and the performance of the Secretariat. At least once a year, it is recommended that these conversations include workstream lead countries and funding partners as well.

### **Work planning**

The Secretary and the Coalition Co-Chairs, in coordination with the WB and IMF Coalition Focal Points, develop regular workplans for the Secretariat following the Coalition's Annual Work Program. The workplan also considers staffing and budget needs for the Secretariat.

The Secretariat works as a coordinator of the preparation of the Coalition's Annual Work Program under the guidance of Co-chairs. The Work Program process commences at the end of the calendar year and is finalized and approved by Coalition members at the start of a new calendar year. Co-chairs and members may also choose to develop a multi-year work program that can be amended annually and is complemented by workstream-specific workplans for shorter timeframes.

### **Budget management**

The Secretary is responsible for executing the operating budget of the Secretariat as a Task Team Leader. All funds expended or raised by the Secretariat are subject to World Bank and IMF rules, as applicable.

Budget will be made available for the Secretariat through an appropriate Trust Fund, currently through the Climate Support Facility and a window that is assigned exclusively towards the Coalition activities. Reporting on the results will happen according to the TF and TF window rules.

### **Results**

The Coalition collects and reports its results according to the Theory of Change, elaborated in August 2023, with relevant results indicators (Annex 3). The ToC and results indicators are set by Coalition Co-chairs and members and are subject to revision based on members' guidance. Output results indicators are collected on a continuous basis by the Secretariat and reported to members once a year in the Annual Report by the Secretariat. Outcome results indicators will be collected by the Secretariat via surveys and the annual Climate Action Statement (CAS) development process and will be reported to members in the Annual Report and CAS as relevant. See table below for details.