

11th Ministerial Meeting Co-Chairs Summary

The Coalition of Finance Ministers for Climate Action (the Coalition) gathered for its 11th Ministerial Meeting on 17 April 2024, chaired jointly by its Co-Chairs, Sri Mulyani Indrawati, Minister of Finance of Indonesia and Steven van Weyenberg, Minister of Finance of The Netherlands.

The meeting celebrated the Coalition's fifth anniversary, highlighting its steady growth to now include 92 member countries and 27 Institutional Partners. Through peer-to-peer learning, knowledge sharing, and collaborative dialogue, the Coalition continues to act as an important and unique platform that informs and supports finance ministries in developing concrete policy steps toward a socially just low-carbon economy under their leadership.

The Coalition discussed the importance of greater involvement of Ministries of Finance (MoFs) in designing, financing, and implementing Nationally Determined Contributions (NDCs). This is crucial as the 2025 deadline for revising NDCs approaches, and MoFs must play a key role in this process. This ministerial discussion is also a continuation of the work done to date within the Coalition, including the outcomes of the successful Deputies meeting in The Hague in February 2024.

During the Ministerial meeting, the Coalition Co-Chairs, together with NDC Partnership Co-Chairs (Rwanda and Denmark) and supported by the UN system (through UNFCCC and UNDP), issued a [Joint Call to Action](#). This call aims to enhance the engagement of Ministries of Finance in developing, implementing, and financing the NDCs under the Paris Agreement. The goal is to strengthen these efforts ahead of the 2025 submission deadline at COP30. The Joint Call to Action, also welcomed by the UN Secretary-General in his remarks, emphasizes that Finance Ministries hold the keys to unlocking the transformative potential of new national climate plans.

The event opened with a high-level plenary panel, followed by a new and innovative format of small roundtable discussions. In the breakout session, Ministers and Principals of partner institutions discussed topics related to (i) involvement of MoFs in the design, implementation, and financing of the next round of NDCs, (ii) the importance of phasing out and repurposing harmful subsidies and appropriately pricing fossil fuel products, and (iii) mobilizing global bond markets for just transition.

On the involvement of MoFs in the next round of NDCs, Coalition members stressed that NDCs should incorporate mechanisms to direct, incentivize, coordinate, and enable whole-of-economy action. This integrated approach would reduce uncertainty, help allocate capital more effectively, and build trust – supporting delivery against government objectives, and scaling private finance to accelerate the transition. Members underscored the central role of MoFs in NDCs coordination and implementation – to make NDCs implementable, investable, and realistic, and owned by the whole-of-society to enable transformation. They also emphasized the importance of Institutional Partners' support, especially to emerging markets and developing economies (EMDEs).

On phasing out and repurposing harmful subsidies and appropriately pricing fossil fuel products, members recognized that harmful subsidies are a major drain on public revenue. However, repurposing them is often met with resistance due to their large size and broad reach. They underscored the need to correctly measure explicit and implicit subsidies, including those arising from international treaties. To overcome these challenges and conduct successful subsidy reform, it is important to act collectively, support green energy alternatives (such as affordable public transport options), ensure compensatory transfers to low-income households ahead of time, provide transparency and clear public communications about the level of subsidies at the beginning of the process, and implement the changes when fuel prices fall.

On mobilizing global bond markets for just transition, members stressed the important role of the public sector in bond markets as an issuer and a catalyst of private issuances of green, social, transition, sustainable, and sustainability-linked (GSST+) bonds. They stressed the challenges of limited fiscal space in most EMDEs, a need for clear labels or alignment with existing climate and social justice objectives, and high compliance costs. It was also mentioned that there is enough demand for these bonds. Still, there is no preference from the private sector towards this type of financing, hence the continued lack of a 'greenium' for these green and sustainability-linked bonds. Members underlined MoFs' role in creating an enabling environment for bonds for just transition, especially in ensuring that principles related to transparency, accuracy, and integrity of the information disclosed and reported by issuers are adhered to by the market. They also underscored the importance of disclosure, verification, and certification for GSST+ bonds and the need to encourage financial innovation.

Based on members' input, the Co-Chairs guided the Deputies to strengthen collaboration and develop policy notes for Ministries and Ministers of Finance on the three central topics discussed in the coming months. They emphasized the importance of focusing on the practical aspects of implementation (the "how"). Critically, members from EMDEs are encouraged to leverage technical and financial resources from the NDC Partnership and its implementing partners to support their involvement and capacity building for the design, financing, and implementation of for the upcoming round of third generation NDCs. The Coalition is also grateful to the World Bank and International Monetary Fund for enhancing its support systems through the strengthened Secretariat structure. The Co-Chairs encourage members to consider providing financial or in-kind support to ensure Secretariat sustainability and continuity.

The Coalition of Finance Ministers for Climate Action will gather for its next Ministerial meeting in Washington, D.C., in October 2024. Prior to this event, the Co-Chairs plan to work with regional champion countries to continue practical discussions across various regions. The Co-Chairs will also start the process to develop the Coalition's second annual Climate Action Statement by October.