

Leveraging Opportunities of the Transition and Strengthening Resilience for Sustainable Growth, Jobs, and Energy Security

Coalition Co-Chairs' Statement

As we convene at the Spring Meetings, we, the Co-Chairs of the Coalition of Finance Ministers for Climate Action, underscore a central message: the shift toward green and resilient economies is not only one of the defining challenges of our time, but also a major economic opportunity. It is giving rise to transition-related and resilience-enhancing economic opportunities: where mitigation and adaptation pathways can drive growth, strengthen fiscal stability, enhance energy security, and create more and better jobs in the near term. The opportunity is clear, and the time to act is now.

On the other hand, increased volatility in global energy markets has underscored energy security risks, with related price shocks hitting low-income, import-dependent countries the hardest, fuelling inflation, external imbalances, food insecurity, and rising debt. This provides a strong argument for investing in more diversified and clean energy systems.

These dynamics underscore a broader reality: climate change is a macro-critical threat to growth, fiscal stability, and poverty reduction. Even with only partial impacts captured in current economic models, it is projected to significantly [reduce economic output in many countries by mid-century](#), if we do not act decisively now. Physical risks, including extreme weather events and slow-onset changes, are already damaging infrastructure, disrupting economic activity, and placing growing pressure on public finances. The transition also creates macro-fiscal risks, [with substantial upfront investment needs](#), that can place pressure on public deficits, interest rates, and debt burdens. In addition, policy changes, technological shifts, and declining demand for fossil fuels may reduce revenues in carbon-intensive sectors, create stranded assets, and require new public spending to support affected workers, regions, and industries.

Many of the benefits of mitigation and adaptation accrue over the longer term, a dynamic often described as the ["tragedy of the horizon."](#) This can reinforce the perception that climate policy involves significant near-term fiscal costs for more distant gains, alongside concerns about competitiveness, adjustment costs, and distributional impacts.

But the macroeconomic case has changed, with [key tipping points](#) now being crossed. Many net-zero investments generate net economic benefits, and [evidence suggests](#) that many mitigation and adaptation policies have costs lower than the value of the co-benefits they generate, meaning they can effectively pay for themselves over time. Well-designed climate policies can thus drive a whole-of-economy transformation, unlocking transition-related and resilience-enhancing economic opportunities.

In terms of transition-related opportunities, rapid technological progress and falling costs, especially in renewable energy, storage, and electric mobility, are transforming markets and investment flows. Costs have declined sharply, [making renewables cheaper than fossil fuel alternatives](#) in many markets, and private capital increasingly moving toward low-emission and resilient investments. Clean energy investment now [significantly exceeds fossil fuel investment](#)

globally, reflecting a structural shift in capital allocation, while electric vehicles are reaching cost parity in major markets and are becoming an [increasingly significant share of global car sales](#).

These transition opportunities are also central to jobs and inclusion. [Renewable energy employment has expanded significantly](#), with solar accounting for a large share of new jobs. Per dollar invested, clean energy and energy [efficiency generate more jobs and economic activity](#) than fossil fuels. Without action, projected climate impacts are expected to result [in substantial job losses across developing and global economies](#). By contrast, low-emission and resilience investments could generate or protect a large number of jobs globally by mid-century.

Adaptation investment supports a range of important resilience-enhancing opportunities. Climate impacts will intensify, even with strong mitigation action. Investing in resilience across infrastructure, agriculture, ecosystems, and water systems, reduces risks, protects growth, and strengthens fiscal stability. These investments [deliver high returns and can significantly reduce projected economic losses](#), especially in highly exposed countries. They are also job-rich, with resilience investments expected to generate or protect [additional and better-paid jobs across developing economies](#).

Much as there is this progress, we are cognizant that there are areas that need critical support. Scaling these opportunities requires a step change in investment. Public resources are limited, so most financing must come from the private sector – but unlocking this requires greater investment in enabling infrastructure, often driven by public spending, meaning countries must secure access to low-cost capital. Finance ministries have a central role to play by providing clear policy direction, strengthening fiscal and regulatory frameworks, improving public investment management, and deploying tools that crowd in private finance and reduce the cost of capital. We recognize that countries face different starting points and capacities, and that international and regional cooperation and support are essential to ensure a just and inclusive transition.

Through the Coalition, over 100 Finance Ministries are working together to advance these priorities. We are sharing practical experience, strengthening policy frameworks, and building capacity to integrate climate considerations into macroeconomic and financial decision-making. The Coalition is launching its new three-year Strategic Work Program, which sets out an ambitious agenda to support Finance Ministries in identifying, scaling, climate action as economic opportunities. Through our strong collaboration, we will continue to support Finance Ministries in turning ambition into effective implementation on the ground.

We are clear: climate action and economic prosperity go hand in hand. Therefore, by taking climate action that is economically sound and effective, we can support growth, strengthen resilience, and improve fiscal and macroeconomic outcomes. In doing so, we can ensure that climate action delivers tangible and durable benefits for people, especially the poor and vulnerable, measured in stronger livelihoods, more and better jobs, and more resilient communities and economies.