

## Strategic Work Program Annex Working Group Plans for 2026

The Coalition of Finance Ministers for Climate Action

*The workplans set out the priority topics for 2026 as determined by the Coalition members.<sup>1</sup>*

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### Thematic Priority 1: Driving a coordinated whole-of-economy transformation

#### Topics

1. Strengthened cross-government coordination and institutional arrangements.
2. Role of finance ministries in implementing Nationally Determined Contributions (NDCs), Long-term Strategies (LTSs), national transition plans, and related strategies.
3. Understanding and evaluating wider economic impacts of climate transition strategies.

#### Objectives

- Members at early stages of climate mainstreaming are supported to strengthen strategic and institutional foundations.
- Share experiences on governance structures and coordination mechanisms, that enable finance ministries to guide the design, assessment and implementation of NDCs and LTSs.
- Explore approaches to integrate climate commitments into coherent economic development strategies, equipping finance ministries with the tools and analytical frameworks to estimate and communicate the economic opportunities of the transition.

#### Priority Outputs for 2026-2027

- Webinar on strengthening Climate Finance Units.
- Workshop/Side event: Country platforms as a means of mobilizing private finance.
- Workshop: Linking NDCs, LTSs with development plans: trends from NDCs 3.0.
- Webinar: Lessons learned for MoFs from Country Climate and Development Reports (CCDRs): Synthesizing MoF-relevant lessons from CCDRs, including for countries without a CCDR.

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<sup>1</sup> Some outputs will be delivered over a 12- to 18- month period.

- Roundtable: Understanding and evaluating wider economic impacts of climate transition strategies. The discussion will inform a policy brief discussing key enablers (institutional, fiscal, regulatory) that MoFs can leverage to help the private sector shift toward low-carbon and decarbonized activities

## Thematic Priority 2: Strengthening macro-fiscal climate policy and debt sustainability

### Topics

1. Integrating climate risks and economic opportunities into debt sustainability analysis.
2. Designing effective fiscal incentives to catalyze the transition and support jobs, growth, and energy security.
3. Tax expenditure reform to free up fiscal space and address wider macro-fiscal implications.
4. Climate financing instruments – including mitigation and resilience-enhancing financing tools.

### Objectives

- Support Finance Ministries to design and implement macro-fiscal policy mixes, including fiscal incentives and public investment strategies, that unlock transition- and resilience-enhancing opportunities and support sustainable growth, competitiveness, energy security, and job creation.
- Enable the integration of climate-related opportunities and risks into macro-fiscal frameworks, fiscal policy design, and medium-term fiscal planning, informed by analysis of impacts on growth, inflation, employment, and external balances.
- Enhance approaches to mobilizing and allocating fiscal space for transition and resilience investments through credible fiscal pathways that balance investment needs with macroeconomic stability and debt sustainability, while supporting a just and inclusive transition.

### Priority Outputs for 2026-2027

- Quarterly series of targeted roundtables and convenings to cover each of the four topics.
- These will form inputs into policy or discussion notes of topics 1, 2 and 3, along with a handbook on climate financing instruments.
- Webinar series on the macro-fiscal implications of the energy transition, with a focus on policy responses to energy price volatility and transition-related shocks.

## Thematic Priority 3: Accelerating decarbonization through fiscal instruments

### Topics

1. The political economy of carbon pricing: distributional impact, competitiveness and impact on industry, public acceptance and communication, institutional capacity and governance
2. Border carbon adjustments (BCA): their rationale, design and implementation, and analysis of their economic impact on third countries.

### Objectives

- Strengthen understanding of political economy dynamics shaping carbon pricing, share country experiences on barriers and opportunities, and explore strategies to build political support and address distributional concerns.
- Disseminate and discuss available knowledge among members regarding the rationale, design and implementation of BCAs, the mechanics of existing and planned BCAs, and tools and methods to evaluate the impact of a BCA on trading partners, and share country experiences in designing and implementing BCAs and, for trading partners, in determining the most appropriate policy response

### Priority Outputs for 2026-2027

- Political Economy of Carbon Pricing Webinar Series
- BCA Webinar Series
- Ministerial roundtable on BCAs

## Thematic Priority 4: Mobilizing private finance for mitigation, transition, and adaptation

### Topics

1. Transition finance: advancing a shared, practical understanding of entity-level transition finance.
2. Risk-sharing instruments to enable private finance mobilization, including for adaptation: sharing experience on scaling up, and lowering transaction costs.
3. Improving sustainable finance frameworks: new initiatives and methods to encourage cross-border flows.

### Objectives

- Help members operationalize transition finance and advance credible transition frameworks and sectoral pathways.
- Clarify the catalytic role of public finance in risk-sharing to mobilize private investment, and share best practices in scaling up blended finance.
- Equip finance ministries with practical guidance and peer exchanges to support the design of regulatory frameworks that mobilize private finance at scale in line with the Paris Agreement.

### Priority Outputs for 2026-2027

- Events and discussion notes under the NGFS-CFMCA Joint Dialogue Platform. Focus on entity-level transition finance approaches to strengthen investor confidence and mobilize cross-border investment; sector pathways and other tools to mobilize investment in the real economy transition; and how coordinated action between finance ministries and central banks can strengthen frameworks for transition finance, enhance interoperability and ensure policy alignment.
- Roundtable with private sector: addressing barriers to investment in transition.
- Webinar on scaling up blended finance and other de-risking approaches. Case studies on their use for adaptation projects
- Expand the Climate Action Map and the case studies and guidance within the Guide 2.0 for more detailed information and exchange on sustainable finance regulations.

## Thematic Priority 5: Planning, managing, and financing adaptation, resilience, and nature

### Topics

1. Roadmap of steps, tools, and frameworks for analyzing and managing macro-fiscal climate risks.
2. Disaster Risk Financing to manage fiscal exposure to climate-related shocks.
3. Natural Capital approaches, including natural capital accounting, to better understand the economic value of ecosystems and nature.

### Objectives

- Improve Finance Ministries' ability to measure and analyze physical climate risks and ecosystem degradation, and their transmission to macroeconomic and fiscal outcomes.
- Provide practical guidance and analytical tools to support prioritization and costing of adaptation and nature-based investments.
- Strengthen approaches to financing adaptation, resilience, and nature including public and private investment, disaster risk finance, insurance coverage, and international climate finance.
- Facilitate peer learning and exchange of best practice among members on integrating adaptation and nature considerations into fiscal and economic decision-making.

### Priority Outputs for 2026-2027

- Climate Adaptation Roadmap for Ministries of Finance outlining key steps, tools, and frameworks for analyzing and managing macro-fiscal climate risks.
- Policy Note on Disaster Risk Financing including approaches such as sovereign risk financing strategies, insurance solutions, contingency finance, risk pooling mechanisms, and innovative solutions to address insurance protection gaps across public and private sectors.
- Policy Note on Natural Capital assessing nature-related fiscal risks and ways to integrate nature considerations into climate change strategies.
- Quarterly webinars to support the development and dissemination of written outputs.
- Training on macro-fiscal modeling of climate risks: Delivery of a technical training session (led by the World Bank) on the Macro-Fiscal Model (MFMod), integrating sectoral pathways with macro-fiscal frameworks.

## Economic Analysis for Green and Resilient Transitions (cross-cutting working group)

This working group focuses on strengthening the economic analysis and modelling capabilities of finance ministries to support climate action. It aims to enable ministries to better integrate climate considerations into fiscal policy, budgeting, and macroeconomic planning by improving how they identify and communicate their analytical needs. It continues the Economic Analysis for Green and Resilient Transitions Initiative, part of the former HP4 workstream.

Economic Analysis for Green and Resilient Transitions has its own governance structure, anchored in the wider working group, which supports members in using the analytical outputs and strengthening their capabilities in economic analysis.

### Objectives

- Facilitate the use of the existing knowledge products of the Green and Resilient Transition Initiative, as well as expand and update these products.
- Support finance ministries in clearly identifying and articulating their priority analytical needs and questions related to climate policy.
- Strengthen connections between finance ministries and the broader analytical community, including to better guide and align technical assistance, analysis tools, and research with core fiscal and macroeconomic functions.
- Develop regional and country engagement to support finance ministries in building long-term capabilities for conducting climate-related economic analysis.

### Priority Outputs for 2026

- Thematic report: how finance ministries can support green technologies and green industrial and innovation strategies, with a focus on available analytical tools and emerging good practices
- A step-by-step guide for finance ministries to address pressing climate policy questions and use analytical tools and models to drive climate action
- Updated Compendium of Practice, with focus on emerging and developing economies.
- Forum on the Macroeconomics of Green and Resilient Transitions tentatively scheduled to be held in early 2027
- Regional activities for peer-to-peer exchange, training, and sharing of good practices. Country-level engagement with 2-3 members.

## Task Group: Updating the Flagship Guide

This Task Group is responsible for updating the Flagship Guide, including associated materials. The Flagship Guide 2.0 will be launched in stages from late 2026 until mid-2027. This group is anticipated to also deliver a capacity-building series of workshops, including at regional convenings, in 2027. This will provide more regionally relevant, decision-oriented support for finance ministries in shaping and implementing climate and economic transformation strategies.

Objectives for the updated Guide:

- **The guide is being updated to remain relevant and effective:** It is being refreshed to continue supporting Ministries of Finance in driving climate action in a rapidly evolving global context.
- **Reflects new economic and climate realities:** The update incorporates emerging challenges such as rising debt, climate shocks, and shifting geopolitics, while preserving the guide’s core structure and strengths.
- **Stronger focus on practical, actionable guidance:** The update emphasizes “how-to” support—providing step-by-step tools, expanded topics, and real-world case studies that can be integrated into budgeting and investment processes.
- **Improved usability and accessibility through a modular approach:** A new user-friendly, modular website (with searchable case studies and potential AI tools) will make the guide more accessible and tailored to different country needs.
- **Expanded and updated content on priority areas:** The guide adds new material on topics such as adaptation, biodiversity, trade, and competitiveness, while updating existing sections to reflect latest developments.