

Summary note: *How Ministries of Finance Can Support Coherent Climate Policy Packages*

CFMCA Public Webinar

Tuesday 10th March 2026 | 10am EST | Virtual

1. Webinar Overview

The **Climate Policy Packages Webinar** marked the public launch of a report developed under **Helsinki Principle 4** Economic Analysis for Green and Resilient Transitions initiative and was convened at a time of heightened economic uncertainty, fiscal pressure, and accelerating climate risks. The webinar explored:

1. Why coordinated policy packages, rather than isolated instruments, are essential to achieving climate and development objectives,
2. How a well-designed climate policy package can deliver near-term fiscal gains, crowd in investment, and boost economic competitiveness,
3. Analytical frameworks and modelling tools available to Ministries of Finance to assess, sequence, and evaluate policy options, and
4. The pivotal, and often underutilized, role of Finance Ministries in evaluating, designing, and implementing effective climate strategies.

The session brought together senior officials from Ministries of Finance, international organizations, and research institutions to examine the evolving role of Finance Ministries in climate action. The webinar also responded to evidence from the Coalition surveys indicating that climate change is still not considered part of the core mandate by many Finance Ministries, despite its profound implications for fiscal sustainability and economic development.

Several key themes emerged consistently throughout the webinar:

- **Climate change is a core fiscal and macroeconomic concern:** climate risks affect revenues, public spending, infrastructure costs, and long-term growth, making climate policy an integral responsibility of ministries of finance rather than a purely environmental issue.
- **Coherent climate outcomes require multi-instrument policy packages:** no single tool is sufficient; effective climate action depends on coordinated use of taxes, subsidies, regulation, public investment, and financial instruments that reinforce each other.
- **Ministries of finance are central coordinators of climate policy:** with oversight of budgets, taxation, public investment, and access to finance, ministries of finance are uniquely positioned to align sectoral policies and manage trade-offs across government.
- **Political economy, sequencing, and pragmatism determine success:** climate reforms must be politically feasible, socially acceptable, and well-sequenced, often using incentives before stricter measures and communicating clearly to manage distributional impacts.
- **Action should proceed despite constraints (learning by doing):** lack of perfect data or models should not delay action; ministries should implement policies using available tools, evaluate outcomes, and refine approaches over time with external support where needed.

2. Detailed Summary of Discussions

Opening Remarks

Leandro Rossi (Netherlands representative Co-Chair) CFMCA Co-Chair: Leandro highlighted that the webinar is situated within the broader mission of the **Coalition of Finance Ministers for Climate Action** and emphasized that the current unprecedented economic conditions have elevated the role of Ministries of Finance, positioning them at the center of climate action due to their responsibility for fiscal frameworks, macroeconomic stability, and growth. The need to move beyond isolated climate measures toward coordinated fiscal and regulatory policy packages that align climate and development objectives, thereby setting the conceptual foundation for the webinar. It was also

underlined that the **Helsinki Principle 4** report addresses this gap by providing a structured approach to designing, sequencing and evaluating coherent climate policy packages, with an emphasis on coordination and political durability.

Keynote presentation

Patrick Lenain (Council on Economic Policies): As lead author of the report, Lenain framed the discussion around central findings from the Coalition surveys: only a minority of Ministries of Finance currently consider climate change as core of their mandate. He argued that this reluctance is often driven by overstated concerns about political feasibility and analytical complexity. Lenain emphasized that Ministries of Finance already possess a wide range of fiscal tools beyond carbon taxes and can act through strong policy packages. His remarks established the report's core message: Finance Ministries should not delay engagement due to uncertainty but should proceed through strong learning by doing, evaluation, and iterative policy. He also noted that effective climate packages are multi-instrument and well-coordinated. For instance, The EU Green Deal "Fit for 55" is considered an effective, coherent climate policy package by combining multiple measures, such as emissions trading systems, carbon border adjustment mechanisms, and energy taxation. Modeling studies show that this coordinated approach has led to significant emissions reductions in the EU, and further reductions are targeted for 2040.

Country case studies

June Nyakahuma (Ministry of Finance, Planning and Economic Development in Uganda): Nyakahuma pointed out that Uganda's Ministry of Finance ensures coherent climate action through a robust legal and institutional framework, highlighted by the Climate Change Act. Furthermore, a partnership with the National Planning Authority and Ministry of Water and Environment integrates climate considerations into planning and budgeting. In Uganda, fiscal tools like fuel taxes and environmental levies dynamically support climate goals, while collaboration with international organizations strengthens climate modeling and diagnostics. She also mentioned that public investment assessments help align government spending with climate objectives, and the Climate Finance Unit develops frameworks to attract and manage climate finance, including for future carbon taxation.

Paula Suarez (Ministry of Finance in Ecuador): Suarez emphasized the necessity of a pragmatic and adaptive approach to climate policy, noting that ministries often must act before all ideal mechanisms are in place. She highlighted the importance of deploying a diverse set of policy tools, establishing effective coordination both within the Ministry of Finance and across government, and understanding the broader economic context to identify potential winners and losers of climate action. Suarez discussed the need to utilize policy levers that do not overburden limited fiscal space, to reform policies that incentivize climate-positive behavior, and to strengthen fiscal instruments related to revenues and expenditures. She underscored the vulnerability of the private sector to climate shocks and the resultant fiscal impacts, which necessitate broader stakeholder engagement and the development of internal analytical capacity within the ministry to tailor tools to specific political and policy cycles. Recognizing the dollarized nature of Ecuador's economy,, she stressed the amplified role of fiscal policy and the critical importance of both financial markets and international support, such as from the IMF and World Bank in facilitating major reforms like the elimination of fossil fuel subsidies. She concluded that policy reforms and increased revenues can create virtuous cycles, enhance access to finance and support robust climate action.

Temitope Akinyemi (Ministry of Finance in Nigeria): Akinyemi emphasized the fiscal dimensions of climate change, citing the Climate Change Act that empowers presidential coordination and underscores the ministry's pivotal role. He highlighted the vulnerability of agriculture which is Nigeria's main employer to climate impacts despite the country's reliance on oil and gas revenues. Climate-induced disruptions to infrastructure and power supply necessitate costly resilient investments, while transition risks affect the value of oil and gas assets. The Ministry of Finance's leverage has increased with the advent of carbon finance instruments, such as green bonds, enabling strategic coordination of climate-related projects and access to discounted funding. He added that international support enhances ministries' capacity to align financial coordination with sustainable growth objectives.