

Preserving Macroeconomic Stability and Financing Resilience and the Green Transition in the Face of Energy Price Shocks

Coalition Co-Chairs' Statement

As we convene for the 16th Ministerial Meeting of the Coalition of Finance Ministers for Climate Action, the global economic outlook remains subject to heightened uncertainty, with risks tilted to the downside. Persistent inflationary pressures, elevated interest rates and constrained fiscal space continue to weigh on growth prospects across many economies. Geopolitical tensions, disruptions in global energy markets, and strained supply chains have compounded these pressures. Energy price shocks in particular have made the task facing Finance Ministries more complex: safeguarding macroeconomic and financial stability while mobilizing the financing needed to build resilience and advance the green transition. Against this backdrop, strengthening economic resilience and accelerating the transition toward secure, affordable and diversified energy systems is more pressing than ever. Recent shocks, while challenging, underscore the economic case for climate action.

These developments highlight the interdependence of energy security, climate resilience, and macroeconomic stability. Coalition members' experience has shown that diversified and resilient energy systems can reduce vulnerability to shocks, strengthen energy security, and support sustainable growth, making energy security a key pillar of economic resilience and fiscal stability.

While recent shocks pose significant challenges for economies worldwide, their impacts vary considerably across countries. The situation reinforces the importance of investments that strengthen resilience and support long-term growth and prosperity. Country experience shows that improvements in energy efficiency, greater diversification of energy systems, and the deployment of cleaner technologies can contribute to enhanced economic resilience and energy security over time. Well-calibrated, targeted and temporary policy responses can help protect vulnerable households and firms while preserving fiscal sustainability and fostering an environment conducive to investment, innovation and sustainable growth. Credible and predictable policy frameworks, including sound medium-term fiscal frameworks, remain essential to anchor expectations, support private sector confidence and enable long-term investment.

The scale of investment required for this transition is significant. With public resources constrained by elevated debt levels and higher borrowing

costs, mobilizing private capital at scale is increasingly important. Finance Ministries have a central role in creating the enabling environment to crowd in private capital. These include implementing sound macroeconomic policies, credible fiscal frameworks, robust public financial management, a stable and predictable regulatory environment, and well-designed risk-sharing instruments that make efficient use of scarce public resources. Mobilizing private finance for resilience, adaptation and clean energy will be key to reducing future economic vulnerabilities and advancing our sustainable development objectives.

An important outcome of the 16th Ministerial meeting is the endorsement of the Coalition's fourth Climate Action Statement (CAS). The Statement reflects the shared commitment of Coalition members to strengthen climate-informed economic and fiscal policymaking and highlights the important role of Finance Ministries in addressing climate-related macroeconomic risks and opportunities. Drawing on the experience of countries across diverse contexts, the Statement identifies common priorities to strengthen resilience, preserve macroeconomic stability, enhance energy security, and mobilize investment for sustainable and inclusive growth.

Ministers also welcomed the launch of consultations on the updated Flagship Guide, *[Strengthening the Role of Ministries of Finance in Driving Climate Action]*. Developed by Finance Ministries for Finance Ministries, the Guide draws on the collective experience of Coalition members and reflects the Coalition's commitment to peer learning and the exchange of good practices. The updated edition will address the evolving challenges Finance Ministries face in managing increasingly complex economic, fiscal, and climate-related risks. The consultation process will help ensure it continues to offer practical tools, lessons learned and policy approaches to support Finance Ministries integrating climate considerations into macroeconomic, fiscal and financial decision-making.

The Coalition of Finance Ministers for Climate Action supports Finance Ministries in embedding climate considerations into their core functions and mobilizing finance to close the green financing gap. By facilitating the exchange of experiences, lessons learned, and emerging practices across diverse national contexts, the Coalition helps Finance Ministries strengthen their institutional capabilities and move from policy ambition to implementation, supporting resilient and sustainable economic development.

For more details, visit the [Coalition website](#), [LinkedIn Account](#), [Work Program](#) or contact the Coalition Secretariat at:
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