

“From Commitments to Action — Driving a Coordinated Whole-of-Economy Transformation

TP1 Launch Event | London Climate Action Week | June 24, 2026 | Hybrid

1. Event Overview

Background

The Coalition of Finance Ministers for Climate Action convened a hybrid event during London Climate Action Week on June 24, 2026, to inaugurate Thematic Priority 1 (TP1) workstream strategic work program, From Commitments to Action — Driving a Coordinated Whole-of-Economy Transformation. The event brought together finance ministry officials from Uganda, Spain, Australia, Denmark, Finland, and Croatia, alongside World Bank Group experts and the NDC Partnership, to address a persistent challenge: the gap between national climate commitments and their translation into coordinated fiscal frameworks and investment action.

Key Messages

- 1. Finance ministries are key actors in whole-of-economy transformation - as coordinators and risk managers.** A whole-of-economy transformation cannot be driven by environment or line ministries alone. It demands the institutional authority, fiscal tools, regulatory levers, and cross-government reach that only finance ministries possess. Their role spans setting macroeconomic frameworks, allocating public investment, creating incentives, and managing the risks posed by climate change. From stranded assets and transition shocks to cross-border carbon fees and the mounting costs of extreme weather events, climate risk is a macro critical issue. Finance ministries are the custodians of this exposure, and their early engagement in climate planning is essential to ensuring that national strategies are not only ambitious but also economically sound and fiscally sustainable.
- 2. Coordination must be institutionalized and built on what already exists.** Driving a coordinated transformation across an entire economy requires more than political will; it requires sustainable institutional structures. Effective coordination must work horizontally, across different line ministries and vertically, between national governments and the subnational authorities responsible for delivery on the ground. Critically, each country arrives at this challenge with its own institutional history, existing tools, and sectoral frameworks. Finance ministries should leverage and integrate what line ministries have already built, not duplicate it. Countries shared how they have done so by embedding climate into budget cycles, establishing Climate Finance Units as the connective tissue between sectoral action and national fiscal planning, and moving from isolated project spending to integrated, program-based approaches.
- 3. Finance ministries must own the climate narrative, not just the purse strings.** For whole-of-economy transformation to work, finance ministries must actively shape how climate action is framed: as a structural economic opportunity. Country Climate and Development Reports (CCDRs) are a powerful tool in this regard, linking climate objectives to growth trajectories and investment opportunities in language that resonates across government. Finance ministries that engage early, set realistic budgets, assess and manage risks and champion cross-sectoral investment pipelines

are better placed to build the political coalitions that whole-of-economy transformation demands and to ensure that the transition works for every part of the economy.

2. Detailed Summary of Discussions

Opening Remarks

Sam Mugume opened the session by making the case for why ministries of finance must sit at the center of climate implementation. He emphasized that climate commitments carry significant fiscal weight and that finance ministries command a broader range of policy levers than any other institution; from budget cycles and fiscal frameworks to public investment systems and intergovernmental transfers. He outlined that effective coordination must operate on two axes simultaneously: horizontally, engaging technical working groups across ministries of environment, energy, agriculture, and trade; and vertically, bridging the gap between national planning and local delivery.

Mugume highlighted Uganda's own journey as a concrete example of this; from isolated, project-by-project climate spending to an integrated, program-based approach. Uganda has established a dedicated Climate Finance Unit, introduced climate budget tagging across the national budget, and developed a National Climate Finance Strategy to institutionalize these efforts over the long term.

Overview of key findings on MoF engagement in climate coordination — the institutional gap, the case for whole-of-economy approaches

Chell Lyons, Australia, speaking on behalf of the incoming COP31 Presidency, highlighted the Net Zero Investment Blueprint as a concrete example of finance ministry-led climate action. Developed by the Treasury rather than the Environment Ministry, the Blueprint is designed to signal clear transition pathways to private investors. Lyons emphasized that finance ministries are better placed than environment ministries to assess trade-offs and manage climate-related fiscal risks — and that this institutional positioning should be reflected in how governments organize their climate work.

Saara Tamminen, Prime Minister's Office, Finland, raised modeling capacity as a persistent and practical barrier for many countries seeking to strengthen their climate analytical frameworks. She proposed two parallel tracks to address it: a slower track focused on reallocating existing resources within current institutional constraints, and an express track focused on mobilizing new financing for modeling infrastructure and staff. She made a strong case for international cooperation as the most efficient path forward, arguing that small countries should not be expected to build these capabilities in isolation.

Mads Libergren, Danish Ministry of Finance, offered a historical perspective on how Denmark's Ministry of Finance evolved over decades from a budget-focused institution into the government's central economic coordinator on climate. He described Denmark's Green Reform Model — a tool

that ensures all policy proposals are assessed for their climate impact on a consistent analytical foundation — as a cornerstone of this transformation. His core message was direct: finance ministries must be engaged from the very beginning of climate planning, not brought in at the implementation stage to validate decisions already made elsewhere.

WBG presentation: Lessons for MoFs: Synthesis of cross-country lessons, priority policy recommendations, coordination mechanisms and fiscal implications

Stéphane Hallegatte, from the World Bank, presented the analytical role of Country Climate and Development Reports (CCDRs) in reframing climate action as structural economic transformation. He emphasized the importance of translating climate data into the language of finance ministries — framing climate impacts and investments in terms of jobs created, percentage improvements in GDP, and specific investment needs. This translation is essential for building the internal government case for climate action. He also referred to the From Paper to Practice guide as a practical resource for finance ministries navigating this work.

Country panel: from commitments to policy action- Country representatives share experiences on coordination mechanisms and translating CCDRs findings into NDC planning, budget processes, and/or investment frameworks

Ana Zoric, from Croatia Ministry of Finance presented its experience using CCDRs to quantify climate risks including the economic costs of droughts and wildfires — and translate findings into NDC planning, budget processes, and investment frameworks. Croatia's experience demonstrated that climate action and economic development are not competing objectives. Croatia established a Sustainable Finance Support Forum in 2023 to bridge the gap between public policy and private financial institutions.

NDCP presentation: Lessons for MoFs: Synthesis of cross-country lessons, priority policy recommendations, coordination mechanisms and fiscal implications

Adrián Flores Aguilar, representing the NDC Partnership, presented key lessons on how finance ministries can operationalize climate commitments. He framed whole-of-economy transformation as fundamentally a coordination challenge, with ministries of finance playing a central role. Drawing on data from the Partnership's Knowledge Database, which tracks over 7,000 support requests across 108 countries, he noted that 95% of countries request support related to finance and coordination — confirming that these remain the most persistent barriers to implementation.

Flores Aguilar identified the root cause of the implementation gap as a planning-to-finance disconnect: many climate plans and NDCs are not investment-ready because they lack clear ownership and institutional alignment. Coordination breaks down, he argued, when mandates, planning processes, and financing mechanisms are not aligned — and particularly when ministries of finance are not fully integrated into climate decision-making from the outset. On Climate Finance Units, he was direct: CFUs are not simply administrative structures, but practical mechanisms that help bridge the gap between the ambition of NDCs and the mobilization of public finance and investment.

Open Discussion — Key Themes from the Floor

The open discussion segment drew interventions from participants in the room and online, raising a range of practical and structural concerns.

Climate risk as economic risk. A representative from E3G reported on discussions at the Climate Development and Finance Forum held earlier in the week, highlighting a shared framing: climate risk is economic risk, and resilience should be understood as wealth. Participants noted the need for systemic change in how credit rating agencies and the international financial architecture assess and price climate exposure.

The tragedy of the horizon. One participant invoked Mark Carney's concept of the tragedy of the horizon, the challenge that climate investments pay off over the long term while political and fiscal cycles operate on much shorter timeframes. The costs of inaction, participants noted, compound over time, making early action fiscally rational as well as environmentally necessary.

Political cycles and institutional durability. A recurring concern was how to build coordination structures that survive changes in government. Participants asked directly: how do you create institutions that are enduring through political cycles? The answer, implied across several interventions, is to embed climate mandates in formal frameworks — budget laws, legislation, and intergovernmental agreements — rather than relying on individual political will.

Subnational coordination. One participant flagged that conflicts between national and subnational governments can undermine entire implementation processes, underscoring the importance of vertical coordination mechanisms that finance ministries are well placed to anchor.

Closing Remarks — Francisco Morales Tamayo, Ministry of Economy, Trade and Enterprise, Spain

Francisco Morales Tamayo closed the session reflecting on the event's central theme: the shift from policy design to actual implementation. He stressed that the conversation across all sessions had converged on a single imperative, making climate action practical, coordinated, and executable. Looking ahead, he confirmed that the TP1 workstream is already planning a series of webinars on Climate Finance Units, designed to help countries close the coordination gaps that prevent climate policies from being fully executed and having real impact. He emphasized that finance ministries are no longer simply signing off on plans; they are becoming central coordinators and enablers of whole-of-economy transformation.