The Coalition of Finance Ministers for Climate Action

16th Ministerial Meeting of the Coalition of Finance Ministers for Climate Action

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

Wednesday, October 14, 2026 12.30-1.30 pm | Bangkok

1. Background

The Coalition of Finance Ministers for Climate Action held its 16th Ministerial Meeting on Wednesday, 14 October 2026, in Bangkok during the World Bank Group and IMF Annual Meetings. The theme was "Preserving Macroeconomic Stability and Financing Resilience and the Green Transition in the Face of Energy Price Shocks." More than 50 countries were represented. The Co-Chairs, the Ministers of Finance of Uganda and Croatia, chaired the meeting.

2. Emerging trends and key messages

- **Energy security and macroeconomic stability are increasingly inseparable.** Across interventions, ministers emphasized that energy price shocks are no longer solely an energy sector concern, but a fundamental macroeconomic challenge affecting inflation, fiscal balances, external stability, debt sustainability and economic growth. Reducing structural exposure to volatile fossil fuel markets has become a core economic policy priority.
- **Short-term crisis responses must preserve long-term fiscal sustainability.** A strong consensus emerged around targeted, temporary and fiscally responsible measures to protect vulnerable households and businesses. Countries emphasized the need to avoid broad-based subsidies, preserve price signals and prevent emergency interventions from creating permanent fiscal liabilities or undermining incentives for structural adjustment.
- **Accelerating the energy transition is increasingly viewed as an economic resilience strategy.** Investment in renewable energy, electrification, energy efficiency and diversified energy supplies was consistently framed as a means of reducing import dependence, strengthening competitiveness and insulating economies from future shocks. The transition was presented not simply as a climate objective, but as an investment in economic security and long-term growth.
- **Constrained fiscal space makes private capital mobilization more critical than ever.** Ministers broadly recognized that public budgets alone cannot finance the investments required for energy security, climate resilience and structural transformation. Greater emphasis was placed on using public resources catalytically, strengthening investment frameworks, developing bankable project pipelines and deploying guarantees, blended finance and risk-sharing instruments to crowd in private investment.
- **Finance ministries must manage increasingly complex trade-offs between stability, competitiveness and resilience.** Interventions highlighted the need to reconcile inflation management, fiscal consolidation, energy affordability, industrial competitiveness and long-term investment objectives. This reinforces the central role of finance ministries in coordinating economic policy responses and ensuring that climate and energy considerations are embedded in mainstream fiscal and economic decision-making.
- **Stronger economic analysis is essential to inform credible and effective policy choices.** Several countries emphasized the need for improved macroeconomic modelling, fiscal risk assessments, scenario analysis and country-specific evidence to evaluate the costs, benefits and distributional implications of policy options. Denmark's additional financial commitment to the Coalition's economic analysis work reinforced the growing demand for practical analytical capabilities within ministries of finance.

- **Country circumstances require differentiated policy responses, not one-size-fits-all solutions.** Experiences ranged from Switzerland's market-oriented approach to Bhutan's temporary fuel price smoothing mechanism and the Marshall Islands' efforts to reduce acute fuel import dependence. These examples highlighted how fiscal capacity, economic structure, energy dependence and vulnerability to external shocks shape the appropriate mix of policy instruments and financing solutions.
- **Climate adaptation and resilience are increasingly recognized as fiscal and debt sustainability priorities.** Beyond energy security, interventions highlighted the importance of incorporating physical climate risks and the economic benefits of adaptation into fiscal planning, public investment decisions and debt sustainability assessments. Small island states and climate-vulnerable economies emphasized the need for accessible financing, stronger fiscal buffers and disaster risk financing instruments to manage growing contingent liabilities.
- **Carbon pricing and fossil fuel subsidy reform remain important instruments for improving economic incentives and fiscal efficiency.** Several interventions highlighted the role of market-based instruments in supporting structural adjustment, mobilizing public revenues and reducing inefficient energy consumption. Thailand's introduction of a carbon component in fuel taxation, the Marshall Islands' fossil fuel subsidy inventory and the EU's continued emphasis on emissions trading demonstrated different approaches to aligning fiscal policy with energy security and transition objectives.
- **The Coalition is moving from policy dialogue toward practical implementation and measurable economic outcomes.** The updated flagship Guide, fourth Climate Action Statement, expanded economic analysis initiative, Denmark's funding announcement and Armenia's commitment to join the Coalition reflected growing momentum for collective action. The Co-Chairs emphasized that success must ultimately be measured by stronger institutions, more effective public spending, increased investment, employment creation and improved livelihoods.

Overarching takeaway: The meeting demonstrated a clear convergence around the view that climate action, energy security and macroeconomic resilience are mutually reinforcing economic priorities. The central challenge for finance ministries is no longer simply establishing the economic case for action, but translating it into fiscally credible policies, stronger investment frameworks and practical country-level outcomes.

3. Discussion Summary

Hon. Henry Musasizi — Minister of State for Finance, Uganda, Coalition Co-Chair

Minister Musasizi welcomed participants and reaffirmed the Coalition's commitment to integrating climate considerations into core economic and fiscal policymaking. The Minister highlighted progress in implementing the 2026–2028 Strategic Work Programme, including efforts to strengthen macro-fiscal analysis, debt sustainability, adaptation financing and private capital mobilization. He drew particular attention to ongoing work on incorporating the economic benefits of adaptation and resilience investments into debt sustainability analysis, with applications in Uganda and Zambia and opportunities for replication in other countries. Minister Musasizi also underscored the importance of strengthening finance ministries' analytical capabilities, expanding regional cooperation and deepening collaboration with central banks and financial supervisors.

Turning to the Coalition's forward agenda, Minister Musasizi highlighted the fourth Climate Action Statement, the consultation on the updated flagship Guide on the role of ministries of finance in driving climate action, and growing engagement on nature and biodiversity ahead of CBD COP17 in Armenia. He emphasized that heightened energy market volatility was placing additional pressure on inflation, fiscal balances and debt sustainability, reinforcing the need for coordinated and credible policy responses. The Minister argued that finance ministries must balance immediate measures to protect households and businesses with preserving fiscal space for productive investments that strengthen resilience, diversify energy systems and reduce exposure to future shocks.

2. H.E. Tomislav Ćorić — Deputy Prime Minister and Minister of Finance, Croatia, Coalition Co-Chair

Minister Ćorić emphasized that renewed energy price volatility had intensified the policy trade-offs confronting finance ministries, particularly in an environment of elevated debt, constrained fiscal space and heightened geopolitical uncertainty. He noted that rising energy costs were contributing to inflationary pressures, weakening household purchasing power and increasing production costs, while generating demands for additional fiscal support. The Minister stressed that governments should prioritize targeted and temporary interventions to protect vulnerable households and viable businesses, while avoiding broad-based subsidies that weaken price signals, create persistent fiscal liabilities or delay structural adjustment. Maintaining credible fiscal frameworks and preserving incentives for energy efficiency and diversification were essential to safeguarding macroeconomic stability.

Looking beyond immediate crisis management, Minister Ćorić argued that investment in clean energy, resilient infrastructure and economic diversification could reduce exposure to external shocks while strengthening competitiveness and long-term growth prospects. Given fiscal constraints, he emphasized the importance of mobilizing private investment through predictable regulatory frameworks, appropriate risk-sharing arrangements and catalytic public financing instruments. The Minister subsequently introduced the Coalition's fourth Climate Action Statement, which reaffirmed the economic and fiscal relevance of climate action, recognized differentiated national circumstances and called for stronger cooperation to translate shared priorities into practical policies. He invited members to endorse the Statement as a collective expression of their commitment to economic resilience and sustainable development.

3. Osman Çelik — Türkiye, Deputy Minister of Treasury and Finance

The representative of Türkiye emphasized the need to reconcile short-term energy security and affordability with longer-term fiscal sustainability and structural transformation. The representative noted that energy price shocks create significant macroeconomic vulnerabilities, particularly for energy-importing economies, through higher inflation, deteriorating external balances and increased fiscal pressures. Emergency support should therefore be targeted, temporary and designed to avoid reinforcing dependence on imported fossil fuels. Drawing on Türkiye's experience, the representative noted that cumulative energy imports had amounted to approximately US$1.1 trillion over 33 years, illustrating the substantial economic benefits that could arise from greater domestic energy production and diversification. Renewable energy already accounted for 62.3% of installed electricity capacity, with further expansion of solar and wind generation forming a central component of the country's energy strategy.

In the context of Türkiye's COP31 Presidency, the representative highlighted accelerated electrification, energy efficiency and investment mobilization as priorities for strengthening energy security and economic competitiveness. Referring to analysis suggesting that faster

electrification could reduce global energy import bills by more than US$400 billion by 2035, the representative emphasized the potential macroeconomic dividends of reducing dependence on volatile fossil fuel markets. The intervention also highlighted the importance of translating climate and energy objectives into bankable investment opportunities, supported by credible regulatory frameworks, risk mitigation instruments and stronger cooperation among governments, multilateral development banks and private investors. Türkiye's proposed climate implementation initiative was presented as a mechanism to connect national priorities with investment pipelines and financing solutions, rather than establishing additional institutional structures.

4. Gilles Roth — Luxembourg, Minister of Finance

The representative of Luxembourg emphasized the importance of maintaining social cohesion and macroeconomic stability during energy price shocks while preserving incentives for longer-term structural adjustment. The representative highlighted the country's tripartite framework, bringing together government, employers and trade unions, as an important mechanism for managing the distributional and economic consequences of higher energy prices. Temporary energy price caps and targeted household support had helped cushion the immediate impact on purchasing power, while measures promoting energy efficiency, renewable energy deployment and building renovation supported a gradual reduction in fossil fuel dependence. These included incentives for heat pumps and solar installations, alongside a reduced VAT rate of 3% for solar equipment. The representative stressed that emergency interventions should remain time-bound and consistent with medium-term fiscal sustainability.

The representative further underscored the importance of mobilizing sustainable finance to complement constrained public budgets. The intervention highlighted Luxembourg's sustainable finance framework, including the use of green and social financing instruments and initiatives to channel private capital toward climate and nature-related investments. Reference was made to Luxembourg's commitment of €50 million over 2026–2030 to support tropical forest investment. The representative emphasized three mutually reinforcing priorities: protecting vulnerable households against immediate shocks, maintaining incentives for an orderly and socially inclusive transition, and sustaining long-term investment in economic and environmental resilience. Luxembourg reaffirmed its support for the Coalition and the fourth Climate Action Statement.

5. Christian Yoka — Republic of Congo, Minister

The Republic of Congo highlighted the particular challenges facing vulnerable African economies, where energy price shocks can increase inflation and production costs, reduce household purchasing power and constrain already limited fiscal space. It stressed that **macroeconomic stability, the energy transition and climate resilience should be treated as complementary objectives**, calling for stronger integration of climate and energy risks into fiscal policy, prudent public financial management, energy diversification and increased financing for resilience.

Congo also emphasized the importance of recognizing the **economic and climate value of natural capital**, noting the country's role as a major forest country within the Congo Basin. It called for a more accessible and predictable climate finance architecture, including greater concessional finance, private investment and innovative financial instruments, and for natural capital to be better reflected in financing mechanisms and debt sustainability frameworks. Congo also reaffirmed its support for stronger African cooperation through PAFCA and announced that it will host the next PAFCA Deputies meeting in Brazzaville in December 2026.

6. Riikka Purra — Finland, Minister of Finance

The representative of Finland emphasized that energy security, climate resilience and macroeconomic stability should be treated as mutually reinforcing economic policy objectives. The representative noted that recent geopolitical developments and energy market disruptions had demonstrated the fiscal and economic vulnerabilities associated with dependence on imported fossil fuels. Drawing on Finland's experience, the representative highlighted how a diversified and increasingly low-carbon energy mix could reduce exposure to international price volatility, strengthen security of supply and support long-term competitiveness. The intervention cautioned against short-term fiscal measures that could undermine medium-term sustainability or delay the structural investments needed to improve economic resilience.

The representative also stressed the importance of strengthening the analytical foundations of climate-related economic policymaking. Finland welcomed the Coalition's updated flagship Guide and its emphasis on integrating climate considerations into fiscal sustainability assessments, investment decisions and broader economic planning. Improved economic modelling, scenario analysis and assessment of climate-related risks were identified as essential for helping finance ministries evaluate policy trade-offs and prioritize interventions. The representative underscored that credible analysis was necessary not only to quantify the costs of climate change and transition policies, but also to identify the economic benefits of early investment, diversification and improved resilience.

7. David Paul — Republic of the Marshall Islands, Minister of Finance, Banking and Postal Services

The representative of the Marshall Islands highlighted the acute macroeconomic and fiscal vulnerabilities faced by small island developing states as a result of their dependence on imported fuel and exposure to external supply disruptions. The representative described severe uncertainty over fuel deliveries, with immediate implications for transport, household welfare, public service delivery and economic activity across geographically dispersed islands. Rising fuel costs had compelled the government to provide direct financial assistance to households, placing additional pressure on already limited fiscal resources. While such interventions were necessary to mitigate immediate hardship, the representative emphasized that they could not constitute a sustainable long-term response. The crisis reinforced the need to reduce structural dependence on imported fossil fuels and strengthen energy security as an integral component of fiscal and economic resilience.

The representative outlined efforts to accelerate renewable energy deployment across the outer atolls, with planned investments expected to reduce fossil fuel consumption by approximately 88% over the following 18 months while expanding access to electricity. However, the representative stressed that renewable energy systems must be adapted to the specific geographic, climatic and maintenance constraints of small island economies, and that financing arrangements should reflect their limited fiscal space and debt-carrying capacity. The Marshall Islands also highlighted its recently published fossil fuel subsidy inventory, developed through the Coalition's work on subsidy reform, as an example of how improved fiscal transparency could inform policy choices. The representative called for stronger international cooperation, concessional financing and practical technical assistance to support energy diversification without exacerbating debt vulnerabilities.

8. Daniela Stoffel — Switzerland, Government Representative

The representative of Switzerland emphasized the importance of preserving market-based incentives and sound fiscal frameworks in responding to energy price volatility. The

representative acknowledged the political and economic pressures facing governments to protect households and businesses from higher energy costs, but cautioned that broad-based fossil fuel subsidies could distort price signals, weaken incentives for energy efficiency and create persistent fiscal liabilities. Switzerland had therefore maintained its long-term policy orientation rather than introducing additional fossil fuel subsidies. The representative argued that well-functioning markets, credible fiscal policies and transparent pricing mechanisms were essential to efficient resource allocation and economic adjustment, particularly in an environment of heightened uncertainty and competing demands on public finances.

Looking ahead, the representative stressed that the transition would depend primarily on private sector investment, supported by stable and predictable policy frameworks. Governments should focus on establishing the regulatory conditions, transparency standards and appropriate incentives needed to mobilize capital, rather than substituting public spending for private investment decisions. The representative noted that sustainable investments increasingly compete for financing with other strategic priorities, including defence and artificial intelligence, reinforcing the importance of commercially viable investment opportunities. Switzerland characterized the transition as an opportunity to strengthen innovation, competitiveness and economic resilience, while reaffirming its support for the Coalition's Climate Action Statement.

9. Lekey Dorji — Bhutan, Minister of Finance

The representative of Bhutan highlighted the particular vulnerabilities of small, landlocked economies to international energy price shocks, given their dependence on imported petroleum products and the importance of fuel for transport, agriculture, construction and the distribution of essential goods. The representative explained that recent increases in international fuel prices had created significant inflationary pressures, with the potential to erode household purchasing power and disrupt economic activity. To mitigate these effects, Bhutan had introduced a fuel price smoothing framework designed to moderate the immediate transmission of international price increases to domestic consumers without creating a permanent fiscal subsidy. The mechanism was based on a floor-and-ceiling arrangement, with domestic prices reviewed every 15 days and temporary government support provided when international prices exceeded predetermined thresholds.

The representative emphasized that the framework was explicitly designed to recover the costs of intervention once market conditions normalized, thereby preserving medium-term fiscal sustainability. When international prices decline, the mechanism allows for the replenishment of resources used to cushion earlier increases, creating a more balanced approach to managing price volatility. Bhutan reported that, without the intervention, inflation could have reached double-digit levels, underscoring the macroeconomic importance of moderating abrupt fuel price adjustments. Looking ahead, the government was considering the establishment of a reserve fund to strengthen preparedness for future shocks. The intervention illustrated how carefully designed and temporary fiscal instruments could protect economic stability while maintaining incentives for adjustment and avoiding the accumulation of permanent budgetary commitments.

10. Asbjørn Brink — Denmark, Deputy Permanent Secretary

The representative of Denmark emphasized that successive energy and climate-related shocks had reinforced the need for finance ministries to integrate resilience, energy security and climate considerations into mainstream economic policymaking. Drawing on Denmark's experience, the representative highlighted the combination of targeted and temporary support for households and businesses with measures to accelerate energy efficiency and reduce dependence on imported fossil fuels. These included adjustments to electricity

taxation and commuting-related tax relief, designed to mitigate immediate pressures while preserving the longer-term direction of the energy transition. The representative stressed that constrained fiscal space required governments to assess policy trade-offs carefully, ensuring that emergency interventions remained proportionate and did not undermine medium-term fiscal sustainability or incentives for private investment.

The representative placed particular emphasis on strengthening the analytical capabilities of ministries of finance to assess the macroeconomic, fiscal and distributional implications of climate-related policies. In this context, Denmark reaffirmed its leadership of the Coalition's Economic Analysis for Green and Resilient Transitions initiative, highlighting the importance of country-specific modelling, credible data, scenario analysis and institutional capacity to support evidence-based decision-making. The representative announced that Denmark would increase its financial support to the Coalition, including additional resources for the Secretariat and the research institute supporting the economic analysis initiative. This commitment was presented as an investment in strengthening finance ministries' capacity to translate climate and resilience objectives into credible fiscal policies, investment strategies and practical economic reforms.

11. Riccardo Barbieri Hermitte — Italy, Director General of the Treasury and G7/G20 Finance Deputy

The representative of Italy emphasized the need to reconcile immediate responses to energy market disruptions with the preservation of fiscal sustainability, economic competitiveness and longer-term energy security. The representative noted that heightened geopolitical uncertainty, supply disruptions and volatile energy prices were generating renewed inflationary pressures and fiscal demands at a time when many governments faced elevated debt levels and constrained borrowing capacity. Italy's response had therefore prioritized temporary and targeted measures to protect vulnerable households and businesses, while seeking to avoid permanent fiscal commitments or interventions that could weaken market incentives. The representative stressed that maintaining credible public finances was essential to safeguarding investor confidence and ensuring that governments retained the capacity to respond to future shocks.

At the European level, the representative called for greater flexibility in the application of fiscal rules to accommodate strategic investments in energy security and economic resilience, while maintaining a commitment to fiscal responsibility. Italy argued that the scale and cross-border nature of energy security challenges required stronger collective action and a coordinated European response. The representative highlighted investments in domestic renewable energy production, transmission infrastructure and sustainable mobility as priorities for reducing dependence on external energy supplies and strengthening competitiveness. Given limited public resources, the representative emphasized the importance of stable policy frameworks, credible transition plans and risk-sharing mechanisms to mobilize private investment. Italy welcomed the Coalition's Climate Action Statement and reaffirmed the value of international cooperation in addressing shared macroeconomic and fiscal challenges.

12. Vahe Hovhannisyan — Armenia, Minister of Finance

The representative of Armenia emphasized that climate resilience, energy diversification and the sustainable management of natural capital were increasingly important determinants of long-term economic performance and fiscal stability. The representative highlighted the vulnerabilities associated with dependence on concentrated external energy supplies and the importance of accelerating investment in domestic renewable energy resources. The green transition was presented not only as an environmental priority, but also as an opportunity to strengthen economic independence, competitiveness and structural transformation. The

representative stressed that finance ministries had a central role in integrating climate and nature-related risks into fiscal planning, public investment management and broader economic policy frameworks, ensuring that investment decisions reflected both immediate development priorities and longer-term economic resilience.

The representative further underscored the importance of improving public expenditure effectiveness, strengthening project preparation and creating predictable policy conditions to attract private investment in an environment of constrained fiscal space. Armenia also emphasized the economic significance of healthy ecosystems and the need for stronger cooperation between ministries of finance and environment in addressing nature-related risks. In this context, the representative announced Armenia's commitment to joining the Coalition of Finance Ministers for Climate Action and undertaking the necessary membership procedures. Looking ahead to CBD COP17 in Yerevan, Armenia welcomed the planned engagement of finance ministries in discussions on nature and economic prosperity and encouraged Coalition members to participate in the high-level dialogues scheduled for October 26–27.

13. Thailand — Government Representative speaking on behalf of Ekniti Nitithanprapas, Deputy Prime Minister and Minister of Finance

The representative of Thailand presented the country's response to the energy crisis around three mutually reinforcing priorities: stabilizing the economy in the short term, accelerating structural adjustment and mobilizing investment for longer-term resilience. The representative noted that rising international energy prices were placing pressure on inflation, household purchasing power, business operating costs and public finances, particularly in energy-importing economies. Thailand's immediate response focused on targeted and time-bound support for vulnerable households and small businesses, while seeking to avoid broad-based subsidies that could create lasting fiscal burdens. The representative highlighted an energy crisis financing framework of up to 400 billion baht, combining immediate relief with measures supporting the energy transition. The overarching objective was to protect economic activity and social stability while preserving fiscal buffers and maintaining incentives for more efficient energy consumption.

Turning to structural reforms, the representative emphasized the importance of diversifying Thailand's energy mix, accelerating electrification and strengthening the role of carbon pricing in economic decision-making. The representative highlighted the introduction of an initial carbon component within fuel excise taxation as a step toward a more comprehensive carbon pricing framework. Thailand also stressed that public budgets alone would be insufficient to finance the investments required for energy diversification, adaptation and resilient infrastructure. Greater use of guarantees, blended finance and partnerships with multilateral development banks was therefore needed to mobilize private capital and improve access to financing, including for smaller enterprises. The representative further highlighted disaster risk financing and regional risk-sharing arrangements as instruments for reducing the fiscal consequences of extreme weather events, reinforcing the need to integrate mitigation, adaptation and macroeconomic resilience within a coherent policy framework.

14. Valdis Dombrovskis — European Commission

The representative of the European Commission highlighted the significant macroeconomic consequences of prolonged disruptions to global energy markets, including the effects of instability in the Strait of Hormuz on oil, gas and electricity prices. The representative noted that, while the European economy had demonstrated resilience, higher energy costs and supply constraints continued to generate inflationary pressures, weaken purchasing power

and create uncertainty for businesses and investors. These pressures were expected to persist into 2027, compounded by geopolitical developments and climate-related disruptions. Against this background, the Commission emphasized that fiscal responses should be temporary, targeted and timely, prioritizing vulnerable households and businesses while preserving incentives for energy savings and remaining consistent with the EU's fiscal framework. Poorly designed support measures could otherwise increase fiscal costs, weaken adjustment incentives and delay the transition toward greater energy security.

The representative stressed that reducing structural dependence on imported fossil fuels remained the most effective long-term strategy for strengthening European economic resilience. Priorities included accelerating electrification, expanding domestic clean energy production, improving energy efficiency and investing in electricity networks and related infrastructure. The representative reaffirmed the central role of carbon pricing within the EU's policy framework, emphasizing its contribution to emissions reductions, investment incentives and public revenue mobilization. Revenues from the EU Emissions Trading System could help finance decarbonization and industrial transformation while limiting the need for additional borrowing or general taxation. The Commission also referred to the planned review of the Emissions Trading System in the context of the EU's 2040 climate objectives, stressing the need to reconcile decarbonization with competitiveness, investment and fiscal sustainability.

15.Bo Li — Deputy Managing Director, International Monetary Fund

The IMF Deputy Managing Director emphasized that the latest energy price shock was unfolding against a backdrop of elevated global uncertainty, constrained fiscal space and heightened debt vulnerabilities. Many countries had yet to fully rebuild fiscal buffers following the pandemic and earlier food and energy price shocks, while higher financing costs and competing expenditure pressures were limiting their capacity to respond to additional disruptions. Against this background, the Deputy Managing Director stressed that fiscal interventions should be carefully targeted toward vulnerable households and businesses, temporary in duration and designed to preserve market price signals. Broad-based energy subsidies risked creating substantial fiscal costs, encouraging inefficient consumption and weakening incentives for adjustment. The IMF therefore encouraged governments to unwind emergency support as conditions normalized and pursue gradual fossil fuel subsidy reform, accompanied by appropriate social protection measures to safeguard vulnerable populations.

Looking beyond immediate stabilization, the Deputy Managing Director emphasized that reducing dependence on volatile fossil fuel markets was central to strengthening medium-term macroeconomic resilience. Investment in renewable energy, energy efficiency, electrification and demand management could improve energy security while reducing exposure to external shocks and associated fiscal risks. The IMF highlighted the importance of credible regulatory frameworks, appropriate incentives and risk-sharing mechanisms to mobilize private investment, particularly where public resources were limited. The Deputy Managing Director reaffirmed the Fund's support through surveillance, policy advice, capacity development and financing, noting that approximately US$15 billion had been approved under the Resilience and Sustainability Facility across 29 countries. Continued cooperation with the World Bank was presented as essential to helping countries align macroeconomic stability, debt sustainability and longer-term climate resilience objectives.

16. Paschal Donohoe — Managing Director and Chief Knowledge Officer, World Bank Group

Paschal Donohoe commended the Coalition's Co-Chairs for advancing implementation of the Strategic Work Programme and welcomed progress on the updated flagship Guide and the fourth Climate Action Statement. He emphasized that the latest energy crisis represented

another in a succession of external shocks affecting economic stability, fiscal balances and development prospects, reinforcing the need to move beyond reactive crisis management toward more systematic investment in resilience. Donohoe outlined the World Bank Group's approach to supporting country-led, climate-smart development strategies that strengthen energy security, competitiveness, employment and economic opportunities. He highlighted ongoing cooperation with the IMF and International Energy Agency in assessing the economic consequences of disruptions in the Middle East and coordinating international responses. He also referred to the World Bank Group's crisis preparedness and response instruments, including pre-arranged financing that enables countries to mobilize resources more rapidly when shocks materialize.

Donohoe stressed that lasting resilience required credible policy frameworks, stronger institutions and investment programmes capable of mobilizing private capital at scale. He highlighted the World Bank Group's role in combining financing with economic analysis and operational support, including through Country Climate and Development Reports that help governments identify priority reforms and investments. Country examples included renewable electricity capacity supported in Bangladesh, a US$1 billion development policy financing operation in the Philippines focused on energy security, and a US$200 million programme in Thailand involving private energy service companies. These examples illustrated the importance of translating analytical work into practical country-level interventions. Donohoe reaffirmed the World Bank Group's commitment to supporting the Coalition as a co-host of its Secretariat, institutional partner and development partner to member countries, emphasizing the need to leverage knowledge, financing and private sector engagement to deliver measurable economic and development outcomes.

17. Hon. Henry Musasizi — Minister of State for Finance, Uganda, Coalition Co-Chair (Closing Remarks)

In his closing remarks, Minister Musasizi thanked ministers, senior officials and institutional partners for their contributions and welcomed the strong engagement demonstrated throughout the meeting. He expressed particular appreciation to Denmark for announcing additional financial support to the Coalition and encouraged other members to consider similar contributions to sustain implementation of the Strategic Work Programme. The Minister also congratulated Armenia on its preparations to host CBD COP17 and its commitment to joining the Coalition, highlighting the growing recognition of the economic and fiscal relevance of climate and nature-related challenges. He emphasized that the Coalition's continued effectiveness would depend on translating policy dialogue and knowledge exchange into concrete country-level actions that strengthen fiscal resilience and support sustainable economic development.

Minister Musasizi concluded by emphasizing the need to deliver more effective outcomes amid constrained fiscal resources. He clarified that the objective of doing more with less should not be interpreted as requiring developing countries to achieve greater results with fewer resources, but rather as a call to improve the effectiveness of public spending, strengthen partnerships and mobilize additional private investment. The Minister stressed that the Coalition's success should ultimately be assessed through tangible outcomes, including stronger economies, productive investments, employment creation and improved livelihoods. Reaffirming the importance of practical implementation and sustained international cooperation, he formally closed the 16th Ministerial Meeting.