16th Ministerial Meeting

"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

Co-Chairs Summary

The Coalition of Finance Ministers for Climate Action convened its 16th Ministerial Meeting on 14 October 2026 during the Annual Meetings of the World Bank Group and the International Monetary Fund in Bangkok. Co-Chaired by Uganda and Croatia, the meeting brought together 21 Finance Ministers from over 50 member countries represented and 2 non-members (Armenia and Thailand) and Institutional Partners to discuss how Ministries of Finance can respond to immediate economic pressures while creating the conditions needed to mobilize investment for resilient, competitive and sustainable economies. Discussions underscored that energy security, macroeconomic stability and climate resilience are increasingly interconnected, and that responding to immediate economic pressures must go hand in hand with preserving fiscal sustainability, reducing exposure to future shocks and mobilizing investment for more resilient, competitive and sustainable economies.

Throughout the discussion, participants underscored a common challenge facing Ministries of Finance worldwide: balancing the need to protect economies and populations from immediate energy shocks with the responsibility to safeguard fiscal space and reduce exposure to future crises. While national circumstances differ, Ministers broadly agreed on the importance of ensuring that short-term interventions are carefully targeted and time-bound, preserve market incentives, and support rather than delay investment in cleaner, more diversified, and secure energy systems. Participants also emphasized the importance of mobilizing private capital and using scarce public resources strategically to support investments that strengthen long-term economic resilience and competitiveness. Ministers welcomed the adoption of the Coalition's 2026 Climate Action Statement (CAS), which captures the evolving experience of Coalition members as they deepen the integration of climate considerations into economic, fiscal and financial policymaking. The Statement highlights practical actions taken by Ministries of Finance to strengthen economic resilience and support sustainable growth, **including integrating climate and nature-related risks into fiscal planning, advancing disaster risk financing, strengthening sustainable finance frameworks, and deploying fiscal and financial instruments to mobilize private investment**. It also identifies common implementation challenges, including **limited fiscal space, data and institutional capacity gaps, fragmented coordination, difficulties developing bankable projects, and access to affordable and predictable finance**, as well as opportunities for continued peer learning and international cooperation.

Ministers also welcomed the launch of the consultation process for the Coalition's updated *Flagship Guide*, titled "*The Role of Ministries of Finance in Driving Climate Action: A Guide to Economic Transformation and Resilience*." Building on a decade of experience and reflecting the rapidly evolving policy landscape, the updated Guide seeks to provide practical and flexible guidance to help Ministries of Finance integrate climate considerations

across their core functions, including economic strategy, fiscal policy and budget management, and financial policy and oversight. It presents a menu of policy options that countries can adapt to their circumstances and priorities, alongside case studies and updated evidence on the economic case for action. The update also places greater emphasis on **adaptation and resilience, nature and biodiversity, and industrial policy, trade and competitiveness**, while highlighting the leadership, coordination, and human and analytical capabilities needed to translate policy objectives into implementation.

Building on these developments, Ministers discussed the role of Ministries of Finance in shaping policy responses that address immediate pressures while strengthening longer-term economic resilience. They highlighted the importance of integrating energy- and climate-related risks into fiscal and economic decision-making and of assessing how different policy choices affect inflation, debt sustainability, competitiveness, distribution, investment, and growth. Ministers also emphasized the role of Ministries of Finance in deploying scarce public resources strategically, including protecting vulnerable households, addressing market failures, catalyzing private investment, and creating predictable policy, regulatory, and investment frameworks that can mobilize private capital. Stronger economic analysis, modeling and risk assessment were highlighted as important tools for navigating these trade-offs, recognizing that policy choices will necessarily reflect different national circumstances and levels of fiscal space.

The following key messages emerged:

- ***Short-term support should protect the most vulnerable while preserving fiscal sustainability and incentives for adjustment. Ministers*** *and participants emphasized that responses to energy price shocks should be carefully targeted and time-bound, prioritizing vulnerable households and affected businesses while avoiding permanent fiscal commitments, broad-based subsidies, or measures that distort price signals. Where appropriate, existing social protection systems can help deliver support more efficiently and equitably.*

- ***Energy security, macroeconomic stability, and the green transition are increasingly interconnected.*** *Ministers highlighted that reducing dependence on volatile fossil fuel markets through energy diversification, renewable energy, electrification, and energy efficiency can strengthen resilience to future shocks while supporting competitiveness and longer-term economic stability. These investments are therefore not only important for achieving climate objectives, but also for strengthening economic security and reducing structural vulnerabilities.*

- ***Limited fiscal space requires public resources to be used strategically and catalytically.*** *Participants stressed that public budgets alone cannot meet the scale of investment needed for resilience, energy diversification, and the green transition. Scarce public resources can play an important role in reducing risks and creating the conditions for additional investment, while predictable policy and regulatory frameworks, credible project pipelines, guarantees, blended finance, and risk-sharing mechanisms can help mobilize private capital at greater scale.*

- ***Better economic analysis is essential to navigate increasingly complex policy trade-***

offs. *Participants emphasized the importance of stronger modelling, data, risk assessment, and scenario analysis to help Ministries of Finance assess the implications of different policy choices for inflation, debt sustainability, competitiveness, distribution, investment, and longer-term growth.* Strengthening these capabilities can help integrate energy and climate-related risks more systematically into core macroeconomic and fiscal decision-making.

- ***Responses need to reflect different national circumstances and vulnerabilities.*** *Country interventions illustrated that exposure to energy shocks, fiscal space, energy systems, and financing needs vary considerably. Participants therefore emphasized practical approaches adapted to national circumstances rather than a one-size-fits-all response.*

- ***Crisis response and longer-term resilience should reinforce each other.*** *A recurring message was that addressing immediate shocks should also help reduce vulnerability to the next crisis, including by rebuilding fiscal buffers, strengthening resilient infrastructure, diversifying energy systems, and creating conditions for sustained investment.*

The discussion reinforced the direction of the Coalition's Strategic Work Program 2026–2028, with its focus on strengthening climate action within the core mandates of Ministries of Finance, including economic development, fiscal resilience and finance mobilization. **Against a more constrained and uncertain global environment, participants emphasized the importance of translating these priorities into practical approaches that reflect national circumstances, make effective use of scarce public resources, and mobilize additional investment.** The 2026 Climate Action Statement and the updated Flagship Guide represent complementary tools in that effort. Together, they reflect both the progress being made by Ministries of Finance and the continued work needed to strengthen the policies, institutions, analytical capabilities, and investment frameworks required to move from policy objectives to implementation.
