



**The Coalition
of Finance Ministers
for Climate Action**

Capability Assessment Framework (CAF): a new self-assessment tool to empower Ministries of Finance to build capabilities to mainstream and drive climate action

Coalition of Finance Ministers for Climate Action

A contribution to the 'Compendium of Practice from a Global Community of Ministries of Finance and Leading Organizations: Economic analysis and modeling tools to assist Ministries of Finance in driving green and resilient transitions'

Topic: Enhancing analytical capacity in Ministries of Finance

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Access the full Compendium at www.greenandresilienteconomics.org

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The Capability Assessment Framework (CAF) is a new tool that offers Ministries of Finance (MoFs) the means to rapidly assess their climate capabilities and build the expertise and coordination mechanisms essential for a sustainable future.

Building the capabilities needed to successfully integrate climate into their core functions is a relatively new and ongoing challenge for MoFs. Many lack an institutional basis for involvement in their government's climate agenda, and for effective coordination with other Ministries on climate issues. Moreover, the climate challenge demands new, specialized expertise and technical tools to address the pressing social and economic questions MoFs are facing.

For this reason, the Coalition has developed a new self-assessment tool, called the "Capability Assessment Framework (CAF) for Mainstreaming Climate Action in Ministries of Finance".¹ The CAF aims to provide a high-level assessment that can serve as a "conversation starter" on how to further strengthen the MoF's role in Government-wide climate action. It builds up on the Coalition's flagship guide on "[Strengthening the Role of Ministries of Finance in Driving Climate Action](#)",² published in 2023, and aims to support MoFs in implementing the wide-ranging "opportunities for action" presented in the guide.

Specifically, the CAF is designed to enable MoFs to:

- Gain clarity over the extent to which climate action is integrated into the Ministry's core responsibilities and capabilities
- Take stock of and connect climate-related activities and policies and initiatives happening across the Ministry and identify key gaps and barriers to action
- Define priorities for action and determine the need for follow-up in-depth assessments, capacity-building or technical assistance (TA) tailored to the needs of the Ministry.

The CAF consists of around 30 questions divided into five parts:

- Part A: Internal governance and leadership
- Part B: Functions for driving climate action
- Part C: Overall operating environment and cross-governmental coordination
- Part D: Human capabilities
- Part E: Wrap up and next steps

Designed to be a high-level assessment tool, the CAF can be completed relatively fast, by a single responder or a small team (e.g., a climate unit), independently or with support from technical assistance providers.

The CAF complements existing tools such as the UNDP's Climate Public Expenditure and Institutional Review (CPEIR) or the IMF's Climate-Public Investment Management Assessment (C-PIMA). It also signposts the Coalition's [capacity-building catalogue](#),³ that showcases a range of climate capacity-building programs for MoFs. The CAF can also be used to inform requests to the NDC Partnership, particularly as MoFs are stepping up their engagements to developing, implementing, and financing the next round of NDCs.

¹ The CAF has been developed for the Coalition by a group of experts from E3G, the IDB, IMF, NDC Partnership, and the 2050 Pathways Platform, coordinated by the Grantham Research Institute, and peer-reviewed by several MoFs. It is currently available as a pilot version in the form of a word document. Interested parties can request access by getting in touch with the [Coalition Secretariat](#). The final version will be launched in 2025.

² https://www.financeministersforclimate.org/sites/cape/files/inline-files/Strengthening_the_role_of_Ministries_of_Finance_in_driving_action_FULL_REPORT.pdf.

³ https://www.financeministersforclimate.org/sites/cape/files/inline-files/Catalogue_of_Climate-Related_Capacity_Building_Support_from_Institutional_Partners_for_Ministries_of_Finance_0.pdf.