

The Capability Assessment Framework (CAF)

A tool for Mainstreaming Climate Action in Ministries of Finance

Asia-Pacific Regional Meeting

Bob Ward | 27/08/2024



Background – The Guide

The Coalition’s guide on “Strengthening the Role of Ministries of Finance in Driving Climate Action”

- Published in Spring 2023 under the HP2 workstream to provide practical guidance on the implementation of the HPs, led by Finland and Rwanda
- Provides a “menu of options” to help mainstream climate action into economic, fiscal and financial policy based on member’s circumstances

The guide is split into three parts:

- **Part A:** Why Ministries of Finance matter for climate action and economic transformation
- **Part B:** Practical framework for Ministries of Finance to mainstream climate action into core functions and capabilities
- **Part C:** Agenda and priorities for action for climate mainstreaming
 - **NEW: Capability Assessment Framework** – a tool to encourage the implementation of the guide



At the guide's core: framework for climate action

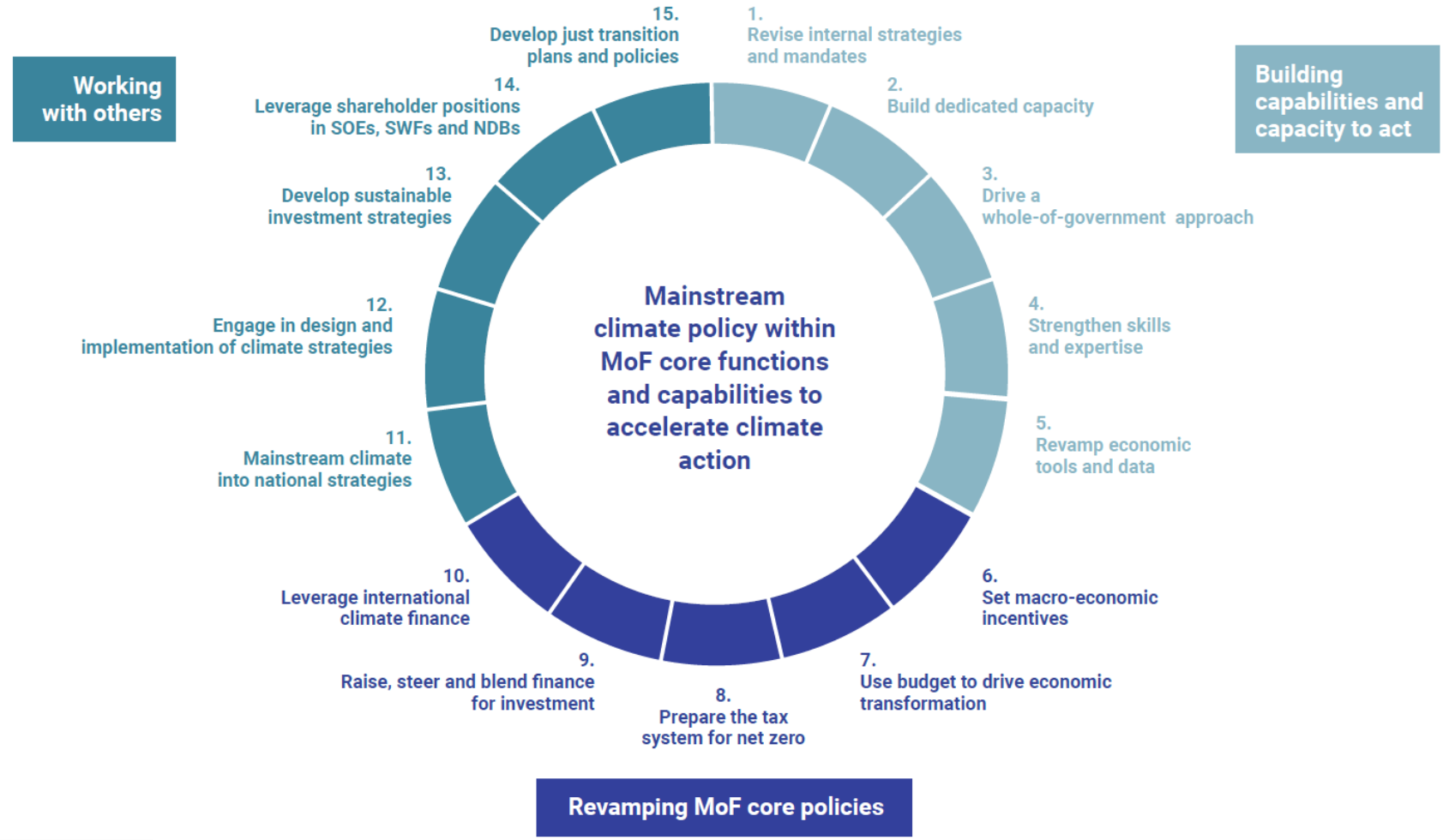
MAINSTREAMING CLIMATE ACTION INTO MINISTRY OF FINANCE CORE FUNCTIONS AND CAPABILITIES



HPs = Helsinki Principles. Read more at: www.financeministersforclimate.org/

A call to action for Ministries of Finance

These 15 transformative actions for Ministries of Finance require both short-term action and commitment to longer-term reform



The Capability Assessment Framework for Mainstreaming Climate Action in MoFs (CAF)

The CAF is a **(self-)assessment tool** (questionnaire) for Ministries of Finance, to encourage the implementation of the guide and its framework and recommendations.

- Aim: **determine progress on the path towards mainstreaming climate action** into their core functions and capabilities and identify priorities for action,
- It offers a **high-level assessment** that can be a conversation starter around progress, barriers and priorities within the Ministry
- It helps to define priorities for action and provides a **basis for follow-up** in-depth assessments, capacity building or TA
- It can be used to prepare the MoF's contribution to NDC or NAP updates
- The CAF is not designed to assess the effectiveness of policies or benchmark progress across countries

The CAF was developed by members of the guide's expert advisory group, including representatives from 2050 Pathways Initiative, E3G, IDB and NDC Partnership, led by GRI/LSE.

How to use the CAF

The CAF is available as a word-based pilot version which can be requested via the Coalition Secretariat.

- The CAF is primarily designed for self-assessment, but can also be applied through an externally guided assessment
- It can be completed by a single responder or by a coordinator consulting with relevant units
- It can be used to inform:
 - Conversations with the Coalition Co-Chairs and secretariat to identify follow-up actions
 - Requests to the NDC Partnership
- The CAF consists of ~30 questions divided into 5 parts:
 - Part A: Internal governance and leadership (based on Capability 1)
 - Part B: Functions for driving climate action (Functions 1-3)
 - Part C: Overall operating environment & cross-governmental coordination (Capability 2)
 - Part D: Human capabilities (Capability 3)
 - Part E: Wrap up and next steps

A final version of the CAF will be produced based on feedback submitted by October 2024.

Relationship with other assessment tools

The CAF aims to complement other climate assessment tools (e.g. C-PIMA, PEFA Climate, CCBII++).

The value proposition of the CAF is **threefold**:

- It is explicitly **designed for Ministries of Finance** (rather than the government as a whole)
- It offers a high-level **introductory (self)-assessment** that is relatively easy and fast to complete.
- Its **appendix** suggests in-depth assessment and TA providers for follow-up work

Part A: Internal Governance and Leadership

Mainstreaming climate action requires bolstering leadership and governance within ministries themselves (see Guide, Capability 1). An explicit mandate on climate change can give the ministry greater authority, enhance collaboration with other agencies and enable internal reforms. A climate strategy can help to operationalize its mandate by setting out internal priorities, designating responsibilities, signaling commitment and determining the capabilities needed for implementation. Climate units can ensure dedicated capacity and better coordination within the ministry and across government. While they can be enabling factors to enhance the leadership of the ministry, they are not prerequisites for action. The purpose of this section is to reflect on which of these enabling factors are present in the ministry.

A1. (i) Does the ministry have a formal **mandate** that explicitly enables engagement on climate action?

Yes No

(ii) Where does this mandate come from?

<input type="checkbox"/> Legislation (e.g. climate law)	<input type="checkbox"/> Government program
<input type="checkbox"/> Executive decree	<input type="checkbox"/> Mission statement
<input type="checkbox"/> MoF (climate) strategy	<input type="checkbox"/> Ad-hoc political mandate
<input type="checkbox"/> Don't know	<input type="checkbox"/> Not applicable
<input type="checkbox"/> Other:	

(iii) What references to climate action does the mandate include?

(iv) Are there any challenges or limitations associated with the mandate, and if so, how could they be overcome/address them?

A2. (i) Does the ministry have an official **mission and/or vision**?

Yes No

(ii) If yes, how, if at all, does the mission/vision reflect the ministry's climate-related responsibilities?

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Thank you

The report 'Strengthening the role of Finance Ministers in driving climate action' is available here:
www.financeministersforclimate.org/reports