



Capability Assessment Framework:

Mainstreaming climate action in Ministries of Finance

Version 1.0, January 2026

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Contact

Please contact the Coalition of Finance Ministers for Climate Action Secretariat with feedback on the framework, if you require support to complete it, or if you wish to use it as a basis for a country visit and/or discussion with the Coalition Co-Chairs on suitable capacity-building or technical assistance.

Email: coalitionsecretariat@financeministersforclimate.org

Introduction: understanding the CAF's purpose, how it works and why it was created

What is the Capability Assessment Framework (CAF) for mainstreaming climate action?

The CAF is a questionnaire for Ministries of Finance (MoFs)¹ to use to assess progress on the path toward mainstreaming climate action into their core functions and capabilities and to identify priorities for action. It is based on the 'Ministry of Finance Framework for Climate Action', and aims to encourage the operationalization of that framework, which is presented in the 'Flagship Guide' on [Strengthening the Role of Ministries of Finance in Driving Climate Action](#) published by the Coalition of Finance Ministers for Climate Action (the Coalition) in 2023.

Mainstreaming climate action refers to the systematic integration of climate considerations into strategies and operations.

This is Version 1.0 of the CAF, which follows a pilot version released in 2024. An interactive version of the CAF 1.0 will be made available online in early 2026 at www.financeministersforclimate.org. A further update of the tool is planned to coincide with the revision of the Flagship Guide later in 2026.

How can the CAF support Ministries of Finance?

The CAF is designed to help Ministries take stock and gauge their progress on mainstreaming climate action through a self-reflective process. It aims to prompt a high-level assessment and reflection on progress, barriers, and priorities to date. It is not intended for benchmarking or evaluating policy effectiveness: instead, it aims to be a 'conversation starter' and a basis for engaged discussions within the Ministry and with other government bodies and external stakeholders. If needed, the CAF process could be supported by a technical assistance provider. Any results remain within the Ministry (and technical assistance provider if involved). If Coalition members wish, they can share results with Institutional Partners of the Coalition to explore avenues for targeted capacity-building and technical support.

In more detail, the CAF aims to support Ministries to:

- **Assess the extent to which climate is mainstreamed into their core functions and capabilities**, and identify whether they have the necessary capabilities and tools to address the challenges and opportunities that climate change adaptation and mitigation present, in alignment with government priorities on climate action.
- **Map climate-related activities and policies** taking place in different parts of the Ministry and identify key gaps and barriers to action.
- **Define priorities for action** and follow-up, in-depth assessments, capacity-building or technical assistance, tailored to the needs of the Ministry.

How to use the CAF

There are several approaches to completing the CAF. This could involve:

- **A single responder or lead coordinator conducting the assessment**, gathering input from relevant departments/divisions where relevant. This person could be the Deputy to the Coalition of Finance Ministers, Ministry of Finance climate focal point, or department head responsible for climate policy.
- **Carrying out an externally guided assessment led by a technical assistance provider or with assistance from a peer member** of the Coalition's Ambassador Network, which can be facilitated by the Coalition Secretariat.²
- Some combination of the above.

¹ While the tool is aimed primarily at MoFs, it is also designed to be relevant for any government ministry or agency performing central finance functions (so-called 'central finance agencies'), and so, where used in this document 'Ministries' could be interpreted more broadly.

² In either case the completed CAF would remain with the respective Ministry and any data should not be shared outside the Ministry unless an agreement is in place with the contracted external assistance provider.

All relevant departments/divisions that have a role in driving climate policy, or may in the future, should, if possible, be given the opportunity to be involved. This includes the core departments of macroeconomic forecasting, fiscal policy, and budget planning. In certain circumstances, the lead coordinator may be well-enough appraised of the work of key divisions to provide sufficient input.

To aid users:

- Each section of the CAF begins with a brief description, followed by a series of questions.
- Questions marked with an asterisk (*) indicate areas where input from other departments is particularly valuable.
- Italicized examples encourage additional reflection and reference relevant sections of the Flagship Guide (in blue).

Experience from countries that have piloted the CAF suggests that completing the assessment may take between one and several days—and may need to be spread over a few weeks. The precise time will depend on the depth of engagement and stakeholder involvement. Carrying out the process over a few weeks may allow time for input from different stakeholders where relevant.

Possible outputs and follow-ups

The assessment could provide a basis for several concrete outputs and follow-up actions:

- A baseline understanding of the status of climate mainstreaming in the Ministry, including areas for improvement and priorities in the coming years.
- A list of high-level recommendations for ministers and/or senior management.
- Input for a ministerial climate roadmap or action plan.
- Identification of tools and technical assistance providers to support to action the priorities.
- A written report with the results of the assessment.

Insights gained from completing the CAF, at the Ministry's behest, can also help to inform:

- Requests to the NDC Partnership by helping Ministries articulate what support they need.³
- Conversations with the Coalition of Finance Ministers for Climate Action, particularly for MoFs seeking peer-to-peer advice to identify suitable follow-up provision channels for capacity-building and technical assistance offered by institutional partners (see Appendix for an overview), or to support the preparation of a country visit under the Coalition's Helsinki Principle 2 workstream.

Structure of the CAF

The questionnaire is divided into five parts, covering the following areas:

- Part A: Internal Ministry of Finance governance and leadership
- Part B: Ministry of Finance core functions for driving climate action
- Part C: Cross-government coordination and overall operating environment
- Part D: Human capabilities
- Part E: Wrap up and next steps.

³ Ministries considering using the CAF with a view to identifying areas of support to be communicated to the NDC Partnership may engage the NDC Partnership government focal point from the outset. The NDC Partnership Support Unit can share these contacts upon request. The NDC Partnership brings together 220-plus members to create and deliver on ambitious Nationally Determined Contributions (NDCs) that help achieve the Paris Agreement and the Sustainable Development Goals. Governments identify their climate-development priorities and the support needed to translate them into actionable policies and programs. Based on these requests, communicated by NDC Partnership government Focal Points, membership offers a tailored package of expertise, technical assistance, and funding.

Background and relationship with other assessment tools

The questionnaire that forms this CAF was developed in response to requests by Ministries of Finance to support them to implement the framework presented in the [Coalition of Finance Ministers for Climate Action](#)'s Flagship Guide, *Strengthening the Role of Ministries of Finance in Driving Climate Action*, published in 2023 (see diagram below).⁴

The Coalition brings together fiscal and economic policymakers from around 100 countries to lead the global climate response and secure a just transition toward low-carbon and resilient development. Each member has signed up to [six 'Helsinki Principles'](#) which promote national climate action; the framework for mainstreaming climate action into the functions and capabilities of Ministries is connected to those Principles.

The CAF has been reviewed by several MoFs that formed the Steering Group for the Flagship Guide, and piloted by three further MoFs, who also provided feedback on this version of the CAF.

Framework presented in the Flagship Guide:



Source: *Coalition of Finance Ministers for Climate Action, 2023*

The unique value proposition of the CAF is twofold:

- It is explicitly designed for Ministries of Finance (rather than the government more broadly).
- It is a high-level introductory assessment that is relatively easy and quick to complete.

By providing a top-level assessment, the CAF aims to complement other tools and assessment frameworks that exist to help governments assess their capacity, institutions and/or expenditure processes with regard to climate change, such as [C-PIMA](#) and [PEFA Climate](#). In turn, where needed, the CAF can identify priority areas where other tools can provide assessments in greater depth.⁵ A catalogue in the Appendix provides an overview of existing tools and technical assistance providers for follow-up work. The list is not intended to be prescriptive or exhaustive, nor reflect any preference for any provider.

⁴ The CAF was developed by members of the expert advisory group formed to support the development of the Flagship Guide, including Anika Heckwolf and Nick Godfrey (Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science), Richard Allen (independent and consultant to the International Monetary Fund), Huascar Eguino (consultant to the Inter-American Development Bank), Marcela Jaramillo (2050 Pathways Platform), Joaquim Leite (NDC Partnership), and Dilemy Orozco (E3G).

⁵ For the final version of the CAF, connecting different sections and/or questions to relevant in-depth tools is being considered.

Capability Assessment Framework (CAF) for mainstreaming climate action

Questions marked with an asterisk (*) indicate areas where input from other departments is particularly valuable.

Ministry name and country:

Completed by:

Date completed:

If the Ministry, government or third parties have already conducted any climate-related assessments for your country, please note them below. *Having these documents to hand may help you complete the CAF.*

Assessment	Provider	Date completed	Entity in charge of the assessment	Involvement of the Ministry of Finance
Country Climate and Development Reports (CCDR)	World Bank			
Climate Change Institutional Assessment (CCIA)	World Bank			
Climate Change Financing Framework (CCFF)	UN			
Climate Public Investment Management Assessment (PIMA)	IMF			
Climate Public Expenditure and Institutional Review (CPEIR)	UN			
Public Expenditure and Financial Accountability (PEFA) Climate	IMF			
Other:				

Part A: Internal Governance and Leadership

Mainstreaming climate action requires governance and leadership within MoFs (see [Flagship Guide, Capability 1](#)). An explicit mandate on climate change can give the Ministry authority, fosters collaboration with other agencies, and enables internal reforms. A climate strategy can help to operationalize the mandate by setting priorities, assigning 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 these are important enablers to enhance the leadership of the Ministry, they are not prerequisites for action. This section encourages reflection on which of these factors are present in the Ministry.

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

☐ Yes

☐ No

If you replied 'Yes', please respond to (ii) and (iii); otherwise, move to question A2.

(ii) Where does this mandate come from? *Select all that apply.*

☐ Legislation (e.g., climate law)

☐ Government program

☐ Executive decree

☐ MoF mission statement

☐ MoF strategy (including climate strategy)

☐ Ad-hoc political mandate

☐ Don't know

☐ 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 addressed?

A2: (i) Does the Ministry have an organizational strategy or roadmap that includes climate change, or a dedicated climate strategy?

An increasing number of MoFs are either developing dedicated climate strategies or are integrating climate priorities and targets into their ministerial strategies or roadmaps (see [Flagship Guide, Capability 1a](#)). In other cases, cross-government strategies outline targets and priorities for all ministries, including the Ministry of Finance.

☐ Yes, an organizational strategy that covers climate

☐ Yes, a dedicated climate strategy

☐ No, neither

☐ Other (e.g., a cross-government strategy on climate):

(ii) What areas related to climate action does the strategy cover?

☐ Ministerial vision on climate change

☐ Overview of relevant stakeholders and how coordination will be carried out

☐ Strategic policy priorities and desired outcomes

☐ Internal governance/institutional arrangements

☐ Assessment and plan for capacity and resourcing needs

☐ None: climate not covered in organizational strategy

☐ N/a (there is no organizational strategy)

☐ Other:

A3. (i) Is there a dedicated person, team or unit within the Ministry with specific responsibility for coordinating climate-related issues?

- ☐ Yes, cross-departmental climate unit or hub
- ☐ Yes, climate team (located in a department)
- ☐ Other:
- ☐ Yes, climate focal person
- ☐ No, functions are performed by relevant departments

(ii) If Yes, what are their responsibilities?

A4. What strategies and incentives does the Ministry have in place to ensure that progress on the government’s climate targets is sustained over time?

- ☐ Financial incentives for staff based on performance on climate targets
- ☐ Training on climate for all Ministry staff
- ☐ Internal accountability mechanisms (e.g., formal mandate; strategy)
- ☐ None
- ☐ Material to brief incoming ministers/senior-level officials on climate change
- ☐ Specialist training for staff with climate-related responsibilities
- ☐ External accountability mechanism (e.g., a Climate Law, Climate Change Council, amendments to budget law)
- ☐ Other:

A5. Reflecting on your responses in Section A (Internal Governance and Leadership), what are:

- (i) The primary challenges the Ministry faces in this regard?
- (ii) The biggest priorities that need to be addressed?
- (iii) The areas where external assistance (e.g., TA) would be the most beneficial?

(i) Challenges	
(ii) Priorities	
(iii) Assistance needs	

Part B: Core Functions to Act on Climate Change

Mainstreaming climate into the work of Ministries of Finance requires the integration of climate action into their core functions. The [Flagship Guide's Framework for Climate Action](#) covers three functions: economic strategy and planning; fiscal policy; and financial policy. This section helps MoFs to assess how far climate is embedded into these functions and policy levers.

Answer options for B1–4 are part of the 'menu of options' presented in the Flagship Guide and are not prescriptive. Enter 'not applicable' if a function or sub-function is not performed by the Ministry or its agencies. Department names are for guidance only; replace with domestic names where relevant.

B1.* How far are the key departments/units in the Ministry involved in developing or implementing climate-related policies or initiatives? *Please indicate in the table below.*

Department	Level of involvement <i>Indicate either: 1 (none), 2 (limited), 3 (moderate), 4 (significant), 5 (high)⁶ Or: don't know; not applicable</i>	Details, comments or link to relevant documents
Economic strategy or planning		
Macro fiscal and economic forecasting		
Budget preparation and execution		
Tax policy		
Debt and asset management		
Public investment/expenditure		
Financial services/supervision		
Other:		

B2.* How far has the Ministry used its economic strategy and investment planning levers to drive climate action?

This involves using the Ministry's responsibility for oversight or involvement in national development strategies, sector plans, and capital investment planning to participate in the development of national climate strategies (e.g., NDCs, LT-LEDS, NAPS), greening national development and sector plans, shaping industrial and innovation strategies, and assessing public and private investment needs for the transition—in partnership with relevant line ministries (see [Flagship Guide, Function 1](#)).

Economic strategy/policy and investment planning levers	Level of action taken <i>Indicate either: 1 (none) to 5 (strong) Or: don't know/not applicable</i>	Details, comments, or link to relevant documents
Involvement in formulation, financing and/or monitoring and revision of climate and economic plans:		
- Nationally Determined Contributions (NDCs)		

⁶ Where there are 1–5 indicators requested in other tables regarding level of involvement/action, please use this numbering in your responses unless otherwise indicated.

- National Adaptation Plans (NAPs)		
- LT-LEDS/Long-term net zero or decarbonization strategies		
- National climate plans		
- Green industrial/ innovation strategies		
- National Development Plans		
- Other:		
Integrated climate into investment planning:		
- Climate investment plan developed/climate proofing existing investment plans (e.g., national/sectoral)		
- Using climate change criteria to identify and prioritize investments		
- Using disaster risk management to identify and prioritize investments		
- Project support in place for strategic green projects		
- Built project pipelines for strategic green projects		
Assessments conducted on:		
- Which sectors are most affected by the transition, and how their decarbonization affects the tax base, economic growth, and/or other indicators relevant to the Ministry		
- Which sectors will require most adaptation efforts, and how this will affect the tax base, economic growth, and/or other indicators relevant to the Ministry		
- The country's climate adaptation and mitigation investment needs and possible financing splits		
- Other assessments:		
Integration of climate into macro-fiscal frameworks		
Integration of climate into macro-fiscal forecasting		
Other:		

B3.* How far has the Ministry used its fiscal policy and budgetary levers to drive climate action?

This involves using the Ministry's core responsibility for (or involvement in) fiscal policy, taxation, and budget planning and execution to design carbon pricing and new forms of environmental taxation, reform fossil fuel subsidies, introduce new fiscal incentives for green sectors, reform multi-annual expenditure frameworks and annual budgets, and green public investment and procurement strategies, as well as assessing the compatibility of the tax system with climate objectives and managing climate-related contingent liabilities and other climate-related financial risks ([see Flagship Guide, Function 2](#)).

Fiscal policy and budgetary levers	Level of action taken <i>Indicate either: 1 (none) to 5 (strong) Or: don't know/not applicable</i>	Details, comments or link to relevant documents
Fiscal measures put in place:		
- Carbon pricing (emissions trading, carbon taxes)		
- Fossil fuel subsidy reduction/reform		
- Green fiscal incentives (e.g., tax credits, cash grants, guarantees)		
- Environmental taxation, charges, fees		
- Measures to manage climate-related fiscal risks		
- Other:		
Public Financial Management levers put in place:		
- Green Budgeting Framework/use of budget process to drive climate action (e.g., references to climate policies/targets in budget circular or in criteria for budget prioritization)		
- Green budget tagging		
- Green Public Investment Framework/public investment management aligned with national climate plans		
- Green public procurement framework/policies		
- Other:		
Conducted assessments on:		
- Compatibility of the tax system with national climate plans conducted (e.g., net zero tax audit)		
- Other assessments:		

B4.* How far has the Ministry used its financial policy levers to drive climate action?

This involves using the Ministry's core responsibility for (or involvement in) the regulation of state-owned banks and enterprises, sovereign wealth funds, financial institutions and debt markets, interfaces with central banks, and shareholdings and relationships with the international finance institutions (IFIs) and multilateral development banks (MDBs) to green the entire financial system, improve financial resilience and stability, and mobilize finance into sustainable investments (see [Flagship Guide, Function 3](#)).

Financial policy levers	Level of action taken <i>Indicate either: 1 (none) to 5 (strong) Or: don't know/not applicable</i>	Details, comments or link to relevant documents
Mobilization of domestic capital to finance green investments:		

- Introduction of new sources of tax revenue/ enhancement of existing taxes		
- Enhancing sub-sovereign green climate finance		
- Introduction of green or other thematic bonds		
- Other:		
Collaboration with public financial institutions to green their operations (e.g., knowledge sharing, revision of mandates/responsibilities):		
- National development or green investment banks		
- Sovereign wealth funds		
- State-owned enterprises		
- The central bank		
- Other:		
Working with the private sector to mobilize private capital:		
- Implementation of measures to drive changes in investment behavior in the financial sector		
○ Regulation (e.g., on disclosure, transition planning or capital requirements)		
○ Supporting tools (e.g., green taxonomies)		
- Introduction of blended finance mechanisms		
- Other:		
Development of disaster risk financing and insurance measures		
- Development of disaster risk tools, framework or strategy		
- Other:		
Leveraging international climate finance:		
- Development of a climate finance strategy to access official development assistance and MDB and DFI capital		
- Participation on voluntary carbon markets		
- Other:		
Development of Sustainable Finance roadmap/strategy		

B5.* Have the actions described in your answers to Q. B3–5 (economic strategy and investment planning, fiscal policy and financial policy levers) been informed by your government’s NDCs or LT-LEDs?

☐ Yes

☐ No

If Yes, please describe how:

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B6.* Have you assessed how the actions described in your answers to Q. B3–5 contribute to financing and implementing any of the following of your government’s climate plans?

Climate plan	Assessment undertaken? (Yes/no/don’t know)	Details or comments on the assessment(s) conducted
NDC		
LT-LED		
NAP		
Other:		

B7.* How is the Ministry incorporating equity/just transition considerations into the actions described in your answers to Q. B3–5?

Just transition considerations	Level of action taken (Yes/no/don’t know)	Details or comments
Created processes for public participation (including marginalized communities)		
Assessed the distributional impact of policies, in particular their impact on vulnerable groups		
Developed schemes or policies to support groups negatively affected by policies		
Encouraged just transition in the private sector, including through regulation and public procurement policies		
Developed a national or sectoral just transition plan		

B8. Reflecting on your responses in Section B (Core Functions), what are:

- (i) The primary types of challenge the Ministry faces when designing or implementing these policies or initiatives? (e.g., technical, capacity, governance, coordination)?
- (ii) The biggest priorities that need to be addressed in this regard?
- (iii) The areas where a more in-depth assessment could be beneficial (e.g., where ‘don’t know’ was selected)?
- (iv) The areas where external assistance (e.g., TA) would be the most beneficial?

(i) Challenges	
(ii) Priorities	
(iii) Assessment needs	
(iii) Assistance needs	

Part C: Cross-Government Coordination

The economic, fiscal, and financial policy levers that Ministries of Finance possess are essential for addressing climate change. Ministries' active involvement in cross-government coordination mechanisms on climate action is therefore critical (see [Flagship Guide](#), [Capability 2](#)). This section aims to situate the role of the Ministry in relation to other departments and the government as a whole.

C1. (i) Which Ministry/agency oversees the government's climate change agenda?

(ii) How is the Ministry of Finance involved in the government's overall coordination mechanism(s) on climate action?

- ☐ The Ministry is part of a council of ministers/inter-ministerial commission responsible for climate
- ☐ The Ministry is part of one or several inter-ministerial working group(s) on climate action
- ☐ The Ministry is not involved in any coordination mechanisms
- ☐ No coordination mechanism is in place
- ☐ Other:

C2.* (i) How is the Ministry typically involved in the following government climate-related policy and decision-making processes, and at what stage?

(ii) What is the level of involvement in the different policy processes, and how could involvement be increased where necessary?

Please indicate both answers in the table below.

Policy process	(i) Role of the Ministry <i>Indicate: (Co-)lead, support, none, don't know, other</i>	(i) Stage of involvement <i>Indicate: Formulation (technical), decision-making, implementation, monitoring & revision, other</i>	(ii) Level of involvement <i>Indicate either: 1 (none) to 5 (strong) Or: don't know/ not applicable</i>	(i) Details or comments (ii) How to increase involvement
Nationally Determined Contribution (NDC)				
National Adaptation Plan (NAP)				
Long-term Low Emission Development Strategy (LT-LEDS)				
Green industrial/ innovation strategy				
Climate investment plan				
Climate finance strategy				
Private sector transition plan				
International climate finance (either accessing or providing)				
Other:				

C3. Who is responsible for coordinating with other ministries and government agencies, including the Prime Minister or President's office, on climate-related policies and initiatives? Please name a person, team or department as applicable.

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C4.* (i) With which key government ministries and agencies does the Ministry typically collaborate on climate-related policies and initiatives? Where could cooperation be improved?

Ministry/agency	Level of collaboration <i>Indicate either: 1 (none) to 5 (high) Or: don't know/not applicable</i>	Details, comments, areas for improvement
Office of the Prime Minister/President		
Ministry of Environment/Climate		
Ministry of Economy/Planning		
Ministry of Foreign Affairs		
Ministry of Trade		
Sectoral ministries		
Statistics agency		
Central bank		
Sub-national entities (e.g., regional Finance Ministry)		
Other:		

(ii) What key challenges does the Ministry face when coordinating with other ministries or agencies on climate-related issues?

- ☐ Line ministry/agency does not involve the Ministry of Finance
- ☐ Line ministry/agency involves the Ministry of Finance at a late stage
- ☐ Limited capacity (e.g., time) within the Ministry of Finance to engage with others
- ☐ Limited expertise/specialized technical capacity within the Ministry of Finance to engage with others
- ☐ No dedicated contact point within the Ministry of Finance
- ☐ No dedicated contact point within the line ministry/agency
- ☐ High staff turnover in one or both ministries/agencies
- ☐ Other:

(iii) How can these challenges be overcome?

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C5.* (i) How much and in what ways does the Ministry engage with external stakeholders (e.g., business, civil society, academia) on climate-related policies or initiatives?

(ii) How could engagement be strengthened?

External stakeholders	(i) Level of engagement <i>Indicate either: 1 (none) to 5 (high)</i>	Type of engagement <i>(e.g., knowledge sharing, consultation, joint projects)</i>	(ii) Details, comments, ways to strengthen engagement
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	<i>Or: don't know/not applicable</i>		
Businesses			
Financial institutions			
Civil society organizations			
International financial institutions and donors (e.g., WB, IMF, OECD, Climate Funds)			
Coalition and networks (e.g., Coalition of Finance Ministers for Climate Action)			
Academia and think tanks			
Media			
Other:			

C6. Reflecting on your responses in Section C (Cross-Government Coordination), what are:

- (i) The greatest challenges the Ministry is currently facing in this regard?
- (ii) The biggest priorities that need to be addressed?
- (iii) The areas where external assistance (e.g., TA) will be the most beneficial?

(i) Challenges	
(ii) Priorities	
(iii) Assistance needs	

Part D: Human Capabilities and Economic Assessment

Mainstreaming climate action across Ministries of Finance requires substantial changes to staffing, skills, and expertise (see [Flagship Guide, Capability 3](#)). This involves developing and utilizing new skills and expertise to fulfill responsibilities arising in responding to climate change, and upgrading/developing tools to support decision-making. The purpose of this section is to assess the Ministry's climate-related skills and expertise.

D1.* Does the Ministry have capacity to carry out the following tasks with regard to climate policy?

Task	Capacity to carry out task <i>Indicate either: 1 (none) to 5 (high)</i> <i>Or: don't know; not applicable</i> <i>Or: don't know/not applicable</i>	Details or comment
Provision of policy advice to the Minister and/or government		
Internal coordination on climate policies		
External coordination with other government departments		
National or international policy development or assessment		
Assessment of economic and fiscal implications of climate change risks and impacts		
Assessment of economic and fiscal implications of national climate change policies and plans		
Implementation of strategies and instruments to mobilize finance for mitigation and adaptation		
Generation of knowledge and internal capacity to mainstream climate within the Ministry		
Coordination/administration of international climate cooperation finance		

D2.* (i) The table below lists key skills increasingly required of Ministries of Finance for dealing with climate issues. How would you assess the current skill level in your Ministry for these?

(ii) Of the skills selected as absent or insufficient, which do you consider a priority to fill or enhance?

Please indicate both answers in the table below.

Skills	(i) Skill level <i>Indicate either: 1 (none) to 5 (high)</i> <i>Or: don't know/not applicable</i>	(ii) Priority to fill or enhance <i>Indicate: 1 (low) to 5 (high)</i>
Economic strategy and investment planning		
- Integration of climate into investment needs assessments and planning		

- Climate-sensitive public investment management (PIM)		
- Climate investment project appraisal		
Tax, debt and budget management		
- Green tax policy		
- Green public procurement		
- Green budgeting		
Finance		
- Green financial market instruments (including debt and bond instruments)		
- Mobilizing and accessing climate finance for mitigation, adaptation and disaster risk finance		
- Climate finance flow tracking		
- Financial sector supervision and stress-testing		
Decision-making tools and models		
- Macroeconomic analysis and modeling		
- Policy and project appraisal tools		
- Sector models		
Other:		

D3. What are the key reasons for staff or skill gaps in the Ministry?

- ☐ Lack of financial resources
- ☐ Lack of internal or external training opportunities
- ☐ High staff turnover
- ☐ Lack of suitable candidates
- ☐ Lack of mandate/senior leadership buy-in
- ☐ Other:

D4. (i) Which options are available to the Ministry to fill the identified skill gaps?

- ☐ Hiring additional staff
- ☐ Externally provided training
- ☐ Technical assistance from donors and/or international institutions
- ☐ Peer-to-peer exchange with other ministries
- ☐ Other:
- ☐ Internal training
- ☐ External partnerships (e.g., with universities)
- ☐ Leveraging expertise from other government agencies
- ☐ Hiring consultancies

(ii) What additional mechanisms are required? Which external partnerships could be scaled up?

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D5. (i) Who conducts macroeconomic assessments and modeling for the Ministry to inform climate action conducted?

- ☐ In-house/Ministry staff
- ☐ Other government departments, or government agencies
- ☐ External to government (e.g., academic institutions, international institutions)
- ☐ N/A: no assessments or modeling are currently utilized

(ii) How does the Ministry integrate climate action into its economic modeling?

- ☐ Mostly by integrating climate into existing ministry models (e.g., macro-forecasting/budget/revenue models)

- ☐ Mostly by building new models
- ☐ N/A:
- ☐ Other:

(iii) What types of modeling or other analytical tools does the Ministry draw on most commonly to inform climate-related policy?

- | | |
|---|--|
| <input type="checkbox"/> Computable General Equilibrium (CGE) models | <input type="checkbox"/> Systems mapping |
| <input type="checkbox"/> New Keynesian Dynamic Stochastic General Equilibrium (DSGE) models | <input type="checkbox"/> Ex-post case studies and evaluations |
| <input type="checkbox"/> Structural macroeconometric models | <input type="checkbox"/> Process-based Integrated Assessment Models (IAMs) |
| <input type="checkbox"/> Sectoral models (e.g., energy system models) | <input type="checkbox"/> Cost-benefit Integrated Assessment Models (IAMs) |
| <input type="checkbox"/> Disaster risk assessments (e.g., loss and damage assessments, asset-level analysis, catastrophe models) | <input type="checkbox"/> Other forms of modeling: |
| <input type="checkbox"/> Policy and program appraisal tools (e.g., cost-benefit analysis, robust decision-making, multi-criteria decision analysis) | <input type="checkbox"/> Other analytical tools: |

(iv) Do you integrate physical climate risks into your macroeconomic modeling?

- ☐ Yes ☐ No

D6. To what extent are policy decisions significantly determined by economic analysis carried out inside the Ministry?

(ii) What are the key gaps and challenges the Ministry experiences with regard to economic models and other analytical tools?

- ☐ Lack of suitable modeling tools and other analytical tools to address pertinent policy questions
- ☐ Difficulty in integrating climate considerations into existing models
- ☐ Poor data availability and/or access
- ☐ Lack of skilled staff to develop, run, and maintain tools
- ☐ Overreliance on external stakeholders for data, modeling and/or analysis
- ☐ Other:

(iv) What type of external support or assistance could help the Ministry improve the integration of climate change into existing and new models it uses?

D7. Reflecting on your responses in Section D (Human Capabilities), what are:

- (i) The greatest challenges the Ministry is currently facing in this regard?
- (ii) The biggest priorities that need to be addressed?
- (iii) The areas with the biggest capacity/skill gaps?
- (iv) The areas where external assistance (e.g., TA) would be the most beneficial?

(i) Challenges

(ii) Priorities	
(iii) Capacity/ skills gaps	
(iii) Assistance needs	

Part E: Summary and Next Steps

This section aims to summarize the assessment so far and help determine priorities for action.

To complete this section, you might find it helpful to copy your answers to questions A5, B8, C6 and D7 into the table below.

A5 (Governance)	(i) Challenges	
	(ii) Priorities	
	(iii) Assistance needs	
B8 (Core Functions)	(i) Challenges	
	(ii) Priorities	
	(iii) Assessment needs	
	(iii) Assistance needs	
C6 (Coordination)	(i) Challenges	
	(ii) Priorities	
	(iii) Assistance needs	
D7 (Capabilities)	(i) Challenges	
	(ii) Priorities	
	(iii) Capacity/skills gaps	
	(iii) Assistance needs	

E1. Reflecting on the challenges you have identified, (i) which are key to hindering progress, and (ii) how could they be overcome?

(i) Overarching challenges	(ii) How challenges could be overcome

E2. Reflecting on the priorities you have identified, which are the areas in which progress will be the most critical and why?

Area where progress is critical	Why?

E3. Of the priorities identified in E2, which are implementable in the next 6 months, 1–3 years, and 3+ years?
Think about if and how these build upon each other.

Next 6 months	1–3 years	3+ years

E4. Based on your answers above, what key recommendations could be made to the Minister/senior leadership that would address the priority areas identified in the questionnaire?

E5. What other near-term steps are you are considering?

- ☐ Exchange with Coalition of Finance Ministers on follow-up TA options
- ☐ Request to NDC Partnership for support
- ☐ Engagement with other providers of TA and support
- ☐ Internal measures (e.g., internal cross-departmental meeting to discuss outcomes or next steps)
- ☐ Other:

Appendix: Catalogue of TA providers, tools, and programs

Coalition of Finance Ministers for Climate Action capacity-building catalogue

The Coalition of Finance Ministers has published a catalogue of capacity-building tools and programs provided by its Institutional Partners, including:

Provider	Offer
African Development Bank (AFDB)	Training of Trainers' Program for Developing Project Proposals to Access Green Climate Fund
Asian Development Bank (ADB)	Regional Capacity-Building Training Workshop on Climate Change
The Commonwealth	The Commonwealth Climate Finance Access Hub (CCFAH)
European Commission	Technical Support Instrument, TAIEX, JRC Summer School on Sustainable Finance
Grantham Research Institute on Climate Change and the Environment, LSE	From Guide to Action: Strengthening the Role of Finance Ministries in Driving Climate Action
Green Climate Fund (GCF)	Readiness and Preparatory Support Programme
Inter-American Development Bank (IDB)	Introduction to Fiscal Management for Climate Action (MOOC)
International Monetary Fund (IMF)	Macroeconomics of Climate Change
NDC Partnership	NDC Partnership Support Mechanisms
United Nations Development Programme (UNDP)	Support on Climate Finance to Strengthen Climate Action
World Bank	Capacity Creation Coalition for Climate Action (C3A)
World Resources Institute (WRI)	Resilience and Adaptation Mainstreaming Program (RAMP)

View the full catalogue [here](#).

Additional tools and programmes

Provider	Offer	Description
2050 Pathways Initiative	Financial and technical assistance to support governments in formulating LTS	Various types of support available
Green Fiscal Policy Network (GFPN)	Knowledge-sharing platform and events on green fiscal policy	Network of Central Banks
IC4E	LTS Dashboard for Finance Ministries	A dashboard for Finance Ministers to support the implementation of long-term strategies
IDB	Climate Public Expenditure Classification Methodology	Various types of support available through the Regional Platform of Ministries of Finance for Climate Action
IMF	Climate-PIMA	Framework for assessing investment management institutions central to climate-aware infrastructure
Network for Greening the Financial System (NGFS)	NGFS	Green knowledge-sharing network for central banks
NDC Partnership	NDC 3.0 Navigator	A tool to support enhanced ambition and accelerate implementation of upcoming NDCs
Organisation for Economic Co-operation and Development (OECD)	Paris Collaborative on Green Budgeting	Network bringing together government officials and experts to put green budgeting into action
UNDP	Climate Public Expenditure and Institutional Review (CPEIR)	Framework to review how national climate change policy aims are reflected in public expenditures
US Agency for International Development (USAID)	Climate Change Institutional Assessment	Tool for assessing an institution's (including government ministries) capacity to address climate change issues
PEFA Secretariat	Public Expenditure and Financial Accountability (PEFA) Climate	Framework for assessing how well PFM systems support the implementation of government climate policies
World Bank	Climate Change Institutional Assessment (CCIA)	Tool to identify strengths and weaknesses of the institutional framework for climate governance

This list is not exhaustive and will be periodically reviewed. Send suggestions to the Coalition Secretariat (see p1).