Initiative for Climate Action Transparency

Sustainable Development Guidance 9 August 2017



Agenda

- Introduction to ICAT (5 min)
- Sustainable Development Guidance (20 min)
- Stakeholder Participation Guidance (5 min)
- Technical Review Guidance (5 min)
- How to provide comments (10 min)
- Q&A (10 min)

Introduction to ICAT

Provide policymakers around the world with tools and support to assess the impacts of their climate policies and actions, to further transparent and ambitious climate action.

Two components:

- ICAT series of guidance
- Country support to build capacity

Multi-stakeholder partnership

DONORS



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Introduction to the series of guidance

-- Introductory Guide --

Impact Assessment Guidance



Who can use the guidance?

- Governments
- Donor agencies and financial institutions
- Businesses
- Research institutions and non-government organisations (NGOs)
- Stakeholders affected by policies and actions, such as local communities and civil society organisations

What can the guidance be used for?



Guidance development process



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Principles for guidance development

- Enabling
 - User-friendly guidance, not rules and requirements
- Flexible
 - Non-prescriptive, accommodates national circumstances
- Leveraging
 - Build upon existing and emerging work
- **Participatory**
 - Engage broadly in development processes

Sustainable Development Guidance

Guidance for assessing the environmental, social and economic impacts of policies and actions

Context: SDGs and Paris Agreement



Purpose of the guidance

- Help analysts and policymakers systematically assess the social, economic, and environmental impacts of policies and actions in an integrated way, in order to:
 - Help achieve the SDGs and the Paris Agreement for example, to identify actions that achieve sustainable development benefits and help achieve NDCs
 - Build support for climate actions by demonstrating their multiple social, economic and environmental benefits
 - Improve policy design to maximize positive impacts and minimize negative impacts across multiple types of impacts
 - Report on multiple impacts, e.g. in BURs
 - Facilitate increased access to climate finance

Guidance development process

- First draft developed through a multi-stakeholder process between July 2016 and July 2017:
 - Secretariat: World Resources Institute and UNEP DTU Partnership
 - Technical Working Group: 30 members
 - Drafting Team (part of TWG): 10+ members
- First draft out for a 60 day public comment period through September 24
 - <u>http://www.climateactiontransparency.org/icat-guidance-public-consultation/</u>
- The draft guidance will be applied in several countries to test how it works in practice and produce case studies to include in the final version

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Scope and applicability of the guidance

- General guidance applicable to all types of policies and actions, all sectors, and all sustainable development impacts
- Includes both qualitative and quantitative approaches
- Covers both forward-looking (ex-ante) and backward-looking (expost) assessments
- The guidance does not provide specific methods for specific impacts (e.g., jobs, health, air quality)
 - To complement the general guidance, the ICAT website provides an Excel database of available tools, resources, and models for quantifying specific types of impacts:
 - <u>http://www.climateactiontransparency.org/icat-guidance/sustainable-development/</u>

Examples of environmental impacts

Dimension	Groups of impact categories	Impact categories
Environmental impacts	Air	 Climate change mitigation (SDG 13) Ozone depletion Air quality and health impacts of air pollution
	Water	 Availability of freshwater (SDG 6) Water quality (SDG 6, SDG 14) Biodiversity of freshwater and coastal ecosystems (SDG 6, SDG 14)
	Land	 Biodiversity of terrestrial ecosystems (SDG 15) Land use change, deforestation, forest degradation, and desertification (SDG 15) Soil quality (SDG 2)
	Waste	 Waste generation and disposal (SDG 12) Treatment of solid waste and wastewater (SDG 6)
	Other/cross- cutting	 Resilience of ecosystems to climate change (SDG 13) Adverse effects of climate change Energy (SDG 7) Toxic chemicals released to air, water and soil

Examples of social impacts

Dimension	Groups of impact categories	Impact categories				
	Health and well- being	 Hunger, nutrition, and food security (SDG 2) Access to clean, reliable and affordable energy (SDG 7) Quality of life and well-being (SDG 3) 				
	Education and culture	 Accessibility and quality of education (SDG 4) Capacity, skills, and knowledge development (SDG 4, SDG 12) 				
	Institutions and laws	 Quality of institutions (SDG 10) Access to information and public awareness (SDG 12) 				
Social	Welfare and equality	 Poverty reduction (SDG 1) Protection of poor and negatively affected communities (SDG 12) Gender equality and empowerment of women (SDG 5) 				
impacts	Labour conditions	 Quality of jobs (SDG 8) Quality and safety of working conditions (SDG 8) 				
	Communities	 City and community climate resilience (SDG 11) Mobility (SDG 11) Community/rural development 				
	Peace and security	 Resilience to climate change and extreme weather events (SDG 13) Security (SDG 16) 				

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Examples of economic impacts

Dimension	Groups of impact categories	Impact categories
Economic impacts	Overall economic activity	 Economic activity (SDG 8) Economic productivity (SDG 8, SDG 2) Economic diversification (SDG 8)
	Employment	 Jobs (SDG 8) Wages (SDG 8) Worker productivity
	Business and technology	 New business opportunities (SDG 8) Growth of new sustainable industries (SDG 7, SDG 17) Competitiveness of domestic industry in global market
	Income, prices and costs	 Income (SDG 10) Prices of goods and services Costs and cost savings Cost of policy implementation and cost-effectiveness of policies
	Trade and balance of payments	 Balance of trade (imports and exports) Government budget surplus/deficit Energy independence, security or sovereignty

Guidance structure

- Part 1: Introduction, objectives and key concepts
- Part 2: Defining the assessment
- Part 3: Qualitative approach to impact assessment
- Part 4: Quantitative approach to impact assessment
- Part 5: Monitoring and reporting
- Part 6: Decision making and using results

Part I: Introduction, objectives and key concepts

Understand purpose and applicability of the guidance (Chapter 1)

Determine the objectives of the assessment (Chapter 2)

Understand key concepts, steps and assessment principles (Chapter 3)

Part II: Defining the assessment

Clearly describe the policy or action to be assessed (Chapter 4)

Choose which impact categories to assess (Chapter 5)

Part III: Qualitative approach to impact assessment

Identify specific impacts of the policy or action within chosen impact categories (Chapter 6)

Qualitatively assess each specific impact (Chapter 7)

Part IV: Quantitative approach to impact assessment

Estimate baseline values for impacts included in the quantitative assessment boundary (Chapter 8) Estimate policy scenario values for the same impacts (ex-ante) (Chapter 9) Estimate policy scenario values for the same impacts (ex-post) (Chapter 10) Assess uncertainty (Chapter 11)

Part V: Monitoring and reporting

Monitor the performance of indicators over time (Chapter 12)

Report the results and methodology used (Chapter 13)

Part VI: Decision making and using results

Interpret results, evaluate tradeoffs and decide which policies and actions to implement (Chapter 14)

Chapter 4: Describe the policy or action

Information	Example (illustrative)
Title of the policy or action	Solar PV incentive policy
Type of policy or action	Financial incentive policy
Description of specific interventions	The policy provides a financial subsidy up to 30% of the cost for grid- connected rooftop solar PV (with installed capacity up to 500 kW) in the residential and institutional sectors.
Status of the policy or action	Implemented (currently in effect)
Date of implementation	1 January 2016
Date of completion	31 December 2022
Objectives and intended impacts or benefits of the policy or action	The policy is intended to scale up investment, installation and R&D in the solar sector, increase access to clean energy, increase energy security, create jobs, reduce greenhouse gas emissions, and improve air quality
Level of implementation / geographic coverage	National
Sectors targeted	Energy supply (grid-connected solar PV)

Illustrative example for a solar PV incentive policy

Dimension	Impact category	Relevant?	Significant?	Included in the assessment boundary?	Brief description/rationale The policy is…
Environmental	Air quality and health impacts of air pollution	Yes	Yes	Yes	Expected to significantly reduce air pollution by replacing fossil fuel electricity with solar energy
	Climate change mitigation	Yes	Yes	Yes	Expected to significantly reduce GHG emissions by replacing fossil energy with solar energy
	Energy	Yes	Yes	Yes	Expected to significantly increase renewable energy generation by replacing fossil energy with solar energy
	Land use change	Yes	No	No	Not own acted to aignificantly affect
	Biodiversity	Yes	No	No	these impact categories
	Soil quality	Yes	No	No	these impact categories

Illustrative example for a solar PV incentive policy

Dimension	Impact category	Relevant?	Significant?	Included in the assessment boundary?	Brief description/rationale The policy is…
Social	Access to clean, affordable, and reliable energy	Yes	Yes	Yes	Expected to significantly improve access to clean, affordable and reliable energy
	Capacity, skills, and knowledge development	Yes	Yes	Yes	Expected to significantly improve training for skilled workers in the solar manufacturing, installation and maintenance sectors
	Gender equality	Yes	Yes	Yes	Expected to increase women's participation in the labour force through new jobs and business opportunities
	Access to safe drinking water	Yes	No	No	Not expected to significantly affect these impact categories, though
	Poverty	Yes	No	No	reduced energy costs may reduce poverty

Illustrative example for a solar PV incentive policy

Dimension	Impact category	Relevant?	Significant?	Included in the assessment boundary?	Brief description/rationale The policy is…
Economic	Jobs	Yes	Yes	Yes	Expected to create new jobs in solar manufacturing, installation and maintenance
	Income	Yes	Yes	Yes	Expected to lead to financial savings for households through reduced energy costs
	Wages	No	Yes	No	Expected to increase wages for workers in the solar sector, but it was not expressed as a priority of stakeholders
	New business opportunities	Yes	Yes	Yes	Expected to create new business opportunities in the solar manufacturing, installation and maintenance sectors
	Energy independence	Yes	Yes	Yes	Expected to improve energy independence by reducing energy imports

Illustrative example for a solar PV incentive policy

Dimension	Impact categories included in the assessment				
	Climate change mitigation				
Environmental	Air quality and health impacts of air pollution				
	Energy				
	Access to clean, affordable, and reliable energy				
Social	Capacity, skills, and knowledge development				
	Gender equality				
	Jobs				
Economia	Income				
Economic	New business opportunities				
	Energy independence				

Chapter 6: Identify specific impacts within each impact category

Illustrative example for a solar PV incentive policy



Chapter 6: Identify specific impacts within each impact category



Chapter 7: Qualitatively assess impacts

Impact categories included in the assessment	Specific impacts identified	Likelihood	Magnitude	Positive or negative impact	Significant impact?	Summary for each impact category			
Jobs	Increased jobs in solar manufacturing, installation, operations and maintenance	Very likely	Major	Positive	Yes	Major net positive impact from new solar jobs, which outweigh minor			
	Decreased jobs in fossil fuel power plants	Likely	Minor	Negative	No	job losses in fossil fuel sector			
Air quality and health impacts of air pollution	Reduced air pollution from grid-connected fossil fuel power plants	Very Likely	Major	Positive	Yes	Major positive impacts from displacing fossil			
	Increased air pollution from solar PV manufacturing	Likely	Minor	Negative	No	fuel electricity with solar electricity. While negative impacts exist, they are insignificant.			
Income	Increased income for households due to reduced energy costs	Very likely	Major	Positive	Yes	Major positive impact from reduced energy spending			
Illustrative example	o for a solar PV incentive policy	lustrative exemple for a color DV incentive policy							

Illustrative example for a solar r v incentive policy

Transparency

Chapter 8-11: Estimating impacts ex-ante or ex-post



Chapter 8-11: Estimating impacts ex-ante or ex-post



Illustrative example for a solar PV incentive policy

Chapter 12: Monitoring performance over time



Chapter 12: Monitoring performance over time

Example of a monitoring template

Indicator	Source of data	Monitoring frequency	Measurement method	Responsible entity or institution	Historical value in 2015	Goal value for 2022
Rooftop solar						
Electricity						
solar PV						
installations						
clinics electrified						
Number of						
households with						
electricity						
Number of people						
having access to electricity services						
Number of female entrepreneurs						
Number of people in jobs,						
disaggregated by gender						
Money saved						

Chapter 13: Reporting

- Provides recommended information to report, including:
 - Information about the policy or action
 - The results: estimated impact of the policy or action on the impact categories included in the assessment
 - Methodology and assumptions used

Chapter 14: Decision making and using results

- Suggested criteria for evaluating policies and actions, given multiple objectives and potential tradeoffs between impact categories:
 - Effectiveness
 - Efficiency or cost-effectiveness
 - Coherence
- Guidance provided on three methods:
 - Cost-effectiveness analysis
 - Cost-benefit analysis
 - Multi-criteria analysis

Stakeholder Participation Guidance

Introducing guidance to support stakeholder participation in design, implementation and assessment of policies and actions, including of sustainable development impacts

Why stakeholder participation is important

- Raise awareness and enable better understanding for all parties involved
- Build trust, collaboration, shared ownership and support for policies
- Address stakeholder perceptions of risks and impacts, and reduce negative impacts and enhance benefits for all stakeholder groups
- Enhance the credibility, accuracy and comprehensiveness of the assessment, drawing on diverse expert and local knowledge
- Enhance transparency, accountability and legitimacy
- Enable enhanced ambition and finance by strengthening the effectiveness of policies and the credibility of reporting

When stakeholder participation is important

Step of sustainable development impact assessment	Why stakeholder participation is important at this step	Relevant chapters in Stakeholder Participation Guidance
Chapter 5 - Choosing which impact categories to assess	Enhance completeness by including impact categories that are relevant and significant for the priorities and concerns of diverse stakeholder groups	Chapter 5 – Identifying and understanding stakeholders
	Identify and address possible unintended or negative impacts early on	Chapter 7 – Providing information
	Identify credible sources of information for selected indicators	Chapter 8 – Designing and conducting consultations

Elements covered in the guidance

Part I: Introduction, objectives and key concepts

Understand the purpose and applicability of the guidance (Chapter 1) Determine the objectives of stakeholder participation (Chapter 2) Understand key concepts, elements and principles (Chapter 3)

Part II: Key elements of effective stakeholder participation

Develop a stakeholder participation plan (Chapter 4) Identify and understand the stakeholders of the policy (Chapter 5) Create multi-stakeholder bodies (Chapter 6) Provide information to stakeholders (Chapter 7) Design and conduct consultations (Chapter 8) Establish a grievance redress mechanism (Chapter 9)

Part III: Reporting on stakeholder participation

Report how stakeholder participation was designed and conducted (Chapter 10)

Technical Review Guidance

Introducing guidance to support the review of the impacts of policies and actions

Why technical review is important

- Enhance credibility, accuracy and comprehensiveness of the assessment through learning and improvement
- Enhance transparency and legitimacy of reported assessments
- Enable increased ambition in, and financing of, policies by strengthening the effectiveness of policies and the credibility of reporting

Types of technical review

- **First-party:** carried out by the user; that is, the same government agency that is responsible for the implementation of the policy and/or the impact assessment
- Second-party: performed by a person or organisation that has an interest in or affiliation with the user.
- **Third-party:** performed by a person or organisation that is independent from the user of commercial, financial or legal interests.



Matrix for selecting a review type

Step 1: Answer each question in the table and note the type of review each question suggests is most appropriate.

Step 2: Evaluate the distribution of responses.

Step 3: Identify the considerations that could significantly impact the type of review selected.

		High	Medium	Low
Co	nsiderations for technical review	Very	Somewhat	Slightly
		Yes	-	No
1.	Is the technical review of an ex-ante assessment?	First, Second	- (Third
2.	How difficult is it for entities other than the user to gain access to information, assumptions and data regarding the impact assessment?	First	Second	Third
3.	How important is it for the technical reviewer to be, or to be perceived as, minimally vulnerable to conflicts of interest?	Third	Second	First
4.	How experienced with undergoing technical review is the user?	First	Second	Third
5.	How much funding is available for the technical review process?	Third	Second	First
6.	What level of independence is necessary for the technical review?	Third	Second	First
7.	What level of transparency and stakeholder confidence (in the technical review results is necessary?	Third	-	First, Second
8.	Does the donor and/or private financier of the policy require technical review?	Second, Third	- (First
9.	Is it necessary for the reviewer to have an accreditation?	Third	-	First, Second

Overview of the technical review process



Public consultation via Collaborase

Collaborase is an online software that supports an unlimited number of reviewers and allows reviewers to more easily provide comments and navigate documents

Accessing the documents

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Initiative for Climate Action Transparency Guidance Public Consultation

Accessing the guidance documents

To comment on the guidance, submit your email address on the document page(s) linked below. A confirmation email will be sent to your email account with a link to access the document.

ICAT Introductory Guide	ICAT Sustainable Development Guidance
ICAT Renewable Energy Guidance	ICAT Transformational Change Guidance
ICAT Buildings Efficiency Guidance	ICAT Stakeholder Participation Guidance
ICAT Transport Pricing Guidance	ICAT Technical Review Guidance
ICAT Agriculture Guidance	ICAT Non-State and Subnational Action Guidance
ICAT Forest Guidance	

Accessing the documents

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ICAT Forest Guidance

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To post a comment, click the 'Comment' button below any section title. Where relevant, we recommend comments include (1) a comment title/issue and (2) a proposal for a change or new text. The comment form allows you to add images, files and/or links. You can also view comments that have already been submitted.

To view comments in a single section, click the 'Comment' button below the section title to display the list of comments for that section. Click the comment title to read the comment and any replies. To view all comments for the full document, click the 'Comment' tab at the top of the webpage – this will open the comments page with a searchable/sortable table of all the comments. If you view comments by other reviewers, we encourage you to use the 'Vote' button to easily express your agreement or disagreement.

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Submit	

9 Estimating Impacts Ex-Ante

Updated 15 days ago by Sinclair Vincent



This chapter describes how to estimate the expected future impacts of the policy or action (ex-ante assessment). In this chapter, users estimate policy scenario values for the indicators included in the assessment boundary. The impacts of the policy or action are estimated by subtracting baseline values (as determined in Chapter 8) from policy scenario values (as determined in this chapter). Users not quantitatively assessing impacts ex-ante can skip this chapter.

Figure 9.1: Overview of steps in the chapter

Define and describe the policy scenario for each indicator (Section 9.1)

Estimate policy scenario values for each indicator (Section 9.2) Estimate the net impact of the policy or action on each indicator (Section 9.3)

Checklist of key recommendations

- Define a policy scenario that represents the conditions most likely to occur in the presence of the policy or action over time for each indicator being estimated, taking into account all specific impacts included in the quantitative assessment boundary
- Estimate the net impact of the policy or action on each indicator by subtracting baseline values from policy scenario values, taking
 into account all specific impacts included in the quantitative assessment boundary
- · Separately assess the impacts of the policy or action on different groups in society where relevant

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9 Estimating Impacts Ex-Ante

Updated 15 days ago by Sinclair Vincent

Comments 0

Reviewer Comments

0 Open 💌 0 Closed 💌 Newest 🔻

No Comments Yet

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9.2 Estimate GHG impacts	~
Updated 12 days ago by Sinclair Vincent	
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66	Estimate the GHG impact of the policy	Q
• •	Carolyn Ching: For users following the deemed estimates approach suggest allowing the following: When using the deemed estimates approach, users can calculate the GHG impact of the policy directly, without e defining separate baseline and policy scenarios. In this case, users should use the instructions in Section 8.6 with activity data and emission factors.	xplicitly n ex-post
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9.2 Estimate GHG impacts

Updated 12 days ago by Sinclair Vincent



Reviewer Comments

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Deemed estimates approach	
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New comment

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Answering survey questions in Collaborase

6 Choosing Which Transformational Change Characteristics to Assess

Updated 15 days ago by Sinclair Vincent



This chapter provides guidance on identifying and choosing transformational change characteristics that are relevant for a policy or actio It also defines the transformational change assessment boundary and the assessment period.

Figure 6.1: Overview of steps in the chapter



Checklist of key recommendations

- · Identify and describe transformational characteristics of the policy or action
- · Choose characteristics to be assessed based on their relevance to a policy or action and the society in which it is implemented
- Define the assessment boundary in terms of geographical and sectoral coverage of transformational characteristics selected for assessment
- · Define the assessment period

Answering survey questions in Collaborase

6 Choosing Which Transformational Change Characteristics to Assess

Updated 15 days ago by Sinclair Vincent

Comments 0 Close Survey

This chapter describes characteristics of transformational impact. Are the descriptions of characteristics sufficient and clear enough to enable assessment of impacts for transformation specific to a policy or action? If not, how can we improve them?

It would be helpful if these descriptions could be more detailed.

In Table 6.4 users are asked to describe characteristics of transformational outcomes for GHG and SD at scale and over time. Is further guidance needed on how to use other ICAT guidance for GHG and SD impact assessment and how to assess impacts of multiple outcomes for GHG and SD?



Collating and reviewing comments

Content Con	nments	Resources A	Activities			
All Comm	ents:	Main				
		Search	View All	Newest	Ŧ	
Author comments		0 results				
Reviewer comments	s 0					
pen Active	0					No Comments Yet
Deferred	0					
Accepted	0					
Rejected	0					

Questions?

To review the guidance and provide comments:

http://www.climateactiontransparency.org/ icat-guidance-public-consultation/

Consultation period ends September 24

Thank You

David Rich, WRI drich@wri.org

Questions about Collaborase: Sinclair Vincent, VCS svincent@v-c-s.org

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