

Description of ICAT's Strategic Approach

Strategy and principles of ICAT

ICAT aims to support countries to better assess the impacts of their climate policies and actions, and fulfil their transparency commitments under international frameworks, in particular the Paris Agreement. It does this by increasing the overall transparency capacities of countries, including the capacity to assess the contribution of climate policies and actions on countries' development objectives and to use transparency to mobilize finance from public and private sources.

As a basis for its support, ICAT provides methodological information and tools to support evidence-based policy-making, based on best practice and state-of-the-art assessments. ICAT's innovative approach is to integrate these two aspects: transparency on climate policies and action and evidence-based policy-making. ICAT focuses on countries that can highlight the benefits of increased transparency to demonstrate impact through climate policy. Building on this experience, ICAT will further develop methodologies and tools, and make them publicly available to all actors, increasing the global knowledge base.

ICAT works at the country, regional, and global levels, on both immediate and long-term transparency needs of developing countries, highlighting the direct and indirect impact of climate action on their development trajectories. This work is expected to result in sustainable improvements to the administrative, legislative, and institutional infrastructure of target countries, which will not only enable countries to undertake national reporting on sustained and continuous basis but will also support implementation of climate action towards achieving global objectives. It will further facilitate countries' efforts in mobilizing finance to enable the investments required to achieve climate and development objectives.

ICAT will work with a range of partners as an integral component of the delivery mechanisms of the Paris Agreement. Priority will be given to supporting countries' efforts under the UNFCCC and to collaborating with CBIT, which has a complementary mandate. While the primary focus is on working with national governments, ICAT will also support subnational action and non-state actors. To facilitate the integration of such action in national transparency frameworks, it will further develop the ICAT methodologies in this regard.

Work will cover both mitigation and adaptation. Since sustainable development often links the two, focus will be placed on building synergy between policies and actions across sectors. ICAT's work is country-driven, building on domestic priorities and needs, aimed at engaging national or regional expertise as much as possible, and encouraging peer-to-peer learning.

Enhanced transparency will directly raise the attractiveness of a country to potential investors. Public climate and development finance institutions will require a transparency framework to assess the impact of their funding. For private investors, an increased information base will reduce the risk of the unknown and hence raise the likelihood of a positive investment decision, limiting the risk premium added on top of the interest rate required. ICAT will further explore these links, including through direct engagement with finance institutions, and systematically integrate them into the support it provides to countries.

To be able to deliver effective support, ICAT will utilize a set of state-of-the-art methodologies, guides, modelling frameworks, metrics and other tools. The ICAT toolbox consists of the methodologies that have already been developed by ICAT, other existing tools of partner institutions and further tools still

to be developed. Since capacity building lies at the heart of ICAT's approach, training material and software, including e-learning modules and other material for transparency capacity building, will complement the toolbox. Priority will be given to tools and methodologies that have been developed or enhanced through their practical application in target countries, thereby creating synergy in spreading successful approaches to other countries that can benefit from the experience.

Building on its preparatory activities, ICAT engages with countries and offers advisory work, technical assistance, and regional and international cooperation through peer exchange. Efforts build on existing MRV systems and knowledge in countries, building upon and complementing other previous and on-going capacity-building activities, to the extent possible. Support provided is tailored to the country context and priorities. Going forward, ICAT will also offer training in a global or regional settings and through electronic means in order to maximize the impact of the MRV training material it has developed. As relevant, specialized UN organizations, multilateral development banks, climate finance institutions and other international organizations will be engaged by ICAT as key partners in furtherance of ICAT's mission and vision.

Through its activities, ICAT supports the implementation of the UNFCCC, the Paris Agreement and the UN Sustainable Development Goals. It will help to accelerate climate action, in particular through effectively implemented and further strengthened NDCs and both directly and indirectly create development benefits for local populations.

Work Programme Components 2019-2021

In the extended period of activities up to November 2021, ICAT will engage on the following three components. The three components will be implemented in line with the principles and strategic priorities spelled out above. There are strong interlinkages between the three components, and hence they will be carried out in a coordinated manner in order to ensure coherence and collaboration across component boundaries.

Component 1 – Country work

Capacity building in countries for mitigation and adaptation action transparency based on the needs and priorities defined by these partner countries is at the heart of ICAT's work. Focus is placed on supporting countries to prepare for reporting under the Enhanced Transparency Framework of the Paris Agreement, building and enhancing their MRV/transparency systems, tracking progress in NDC implementation and achievement, assessing the impacts of policies and measures on projected emissions and social, economic and other environmental parameters, and compiling information on climate change impacts and adaptation policies. Work will also encompass support to the aggregation/integration of subnational and non-state action and the use of transparency to mobilize finance.

Component 2 – The ICAT toolbox

Building on and further developing existing ICAT methodologies, indicators, tools, training materials/ modules and e-learning tools for both adaptation and mitigation. Focus is put on developing the toolbox based on experience in countries, for example taking tools or methodologies that were successful in one country and adapting them to other countries that face similar needs. Further analytical work will focus on the identification of domestic benefits and synergies from the implementation of enhanced transparency arrangements, including those related to sustainable development, and to mobilize finance.

Component 3 – Broader training activities, other regional activities and knowledge sharing

This component includes training activities in cooperation with and support of other relevant initiatives; other regional activities and approaches in enhancing capacities in the areas listed under component 1 above, and in accordance with country priorities. Training and knowledge products use the work done under components 1 and 2, including for subnational and non-state actors. Priority is given to activities undertaken jointly, in an integrated manner with partner organizations.

The ICAT work programme, annual work plans and budget allocations are approved by the Donor Steering Committee.