



Sustainable Development Methodology Executive summary

Download the methodology at
<https://climateactiontransparency.org/icat-toolbox/sustainable-development>

Countries worldwide are striving to meet the interrelated challenges of sustainable development and climate change. There is an urgent need to reduce greenhouse gas (GHG) emissions and adapt to climate change, while advancing development and achieving a wide range of environmental, social and economic objectives – from reducing poverty and creating jobs to improving air quality, access to clean and affordable energy, and health and well-being.

This means that policies and actions must be designed to achieve climate change and sustainable development objectives in an integrated manner. An integrated approach can help governments achieve the objectives of both the Paris Agreement and the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs).

The Initiative for Climate Action Transparency (ICAT) Sustainable Development Methodology helps policymakers and other users systematically assess multiple environmental, social and economic impacts of policies and actions. Assessing impacts, qualitatively or quantitatively, demonstrates whether policies are effective in delivering sustainable development and climate change benefits, while avoiding or addressing any possible negative impacts. The methodology can also be used to track the performance of indicators towards desired goals.

Assessing the impacts of policies and actions

Assessing policy impacts supports multiple objectives, including advancing policies that contribute to multiple SDGs and priorities, building support for climate actions by assessing and communicating impacts that are most relevant to national audiences, and informing policy design and implementation.

Where a broad set of climate and sustainable development impacts are assessed before and after policy implementation, actions are more likely to be effective and durable, generate positive benefits for society, and achieve desired climate and development outcomes.

Policymakers may want to understand the sustainable development impacts of policies to:

- design more effective policies that generate a variety of environmental, social and economic benefits
- demonstrate socioeconomic benefits of climate actions to build support and strengthen justification for the actions
- promote synergies and avoid trade-offs between climate actions and SDGs
- ensure that policies are on track, and inform adjustments during policy implementation
- report on impacts to domestic and international audiences
- attract finance by demonstrating climate and development benefits.

This type of assessment can help integrate SDGs and climate targets into a unified process – for example, by identifying and reporting on the sustainable development benefits of actions taken to achieve nationally determined contributions (NDCs) under the Paris Agreement, national development plans, low-emission development strategies, nationally appropriate mitigation actions (NAMAs) or other mechanisms. The assessment may also facilitate increased access to climate finance, given the inclusion of sustainable development priorities in the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and the Green Climate Fund.

The methodology is informed by, and compatible with, the United Nations SDGs, and is intended to help users assess the impact of policies in relation to the SDGs.



Series of ICAT assessment guides

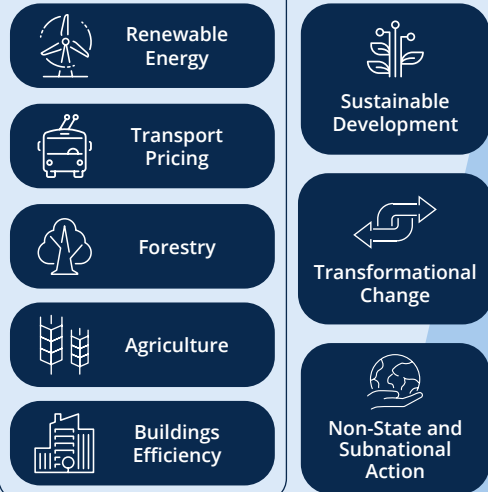
ICAT aims to help countries assess the impacts of their climate actions, and to support greater transparency, effectiveness, ambition and trust in climate policies worldwide. The *Sustainable Development Methodology* is part of the ICAT series of guides for assessing the GHG, sustainable development and transformational impacts of policies and actions in an integrated way. The guides are a result of collaboration with technical experts from around the world. The ICAT *Sustainable Development Methodology* can be used on its own or together with other ICAT guides.

SERIES OF ICAT ASSESSMENT GUIDES

Introduction to the ICAT Assessment Guides

Impact assessment guides

Greenhouse gas impacts:

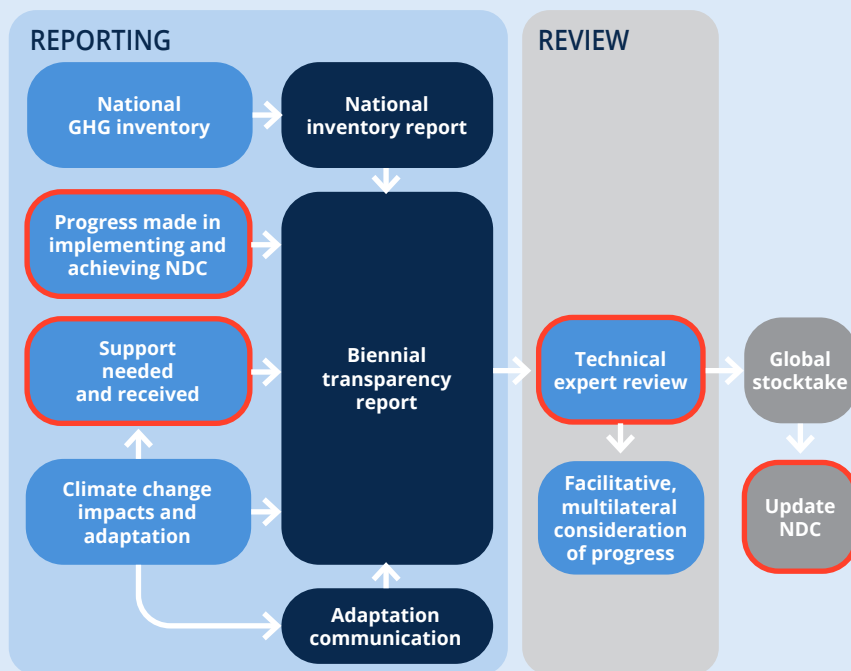


Process guides



The assessment guides have been used to support capacity-building for transparency in more than 20 countries. Case studies are available on the ICAT website. To learn more about how ICAT supports countries, visit www.climateactiontransparency.org.

Advancing climate action through the enhanced transparency framework



By helping policymakers assess the impacts of policies and actions, the ICAT assessment guides can help countries track progress in implementation and further develop their NDCs towards enhanced ambition. The ICAT assessment guides can also help provide the necessary information for countries to report under the Paris Agreement's enhanced transparency framework.

Although assessment of sustainable development impacts is optional in the enhanced transparency framework, a decision of the 24th Conference of the Parties to the UNFCCC (COP24) mandates that all countries voluntarily participating in Article 6 provide information on how Article 6 cooperative approaches promote sustainable development. Increasingly, integrated assessments to track progress of NDC and SDG implementation are called upon to promote synergies and avoid trade-offs between multiple objectives. Assessing the diverse sustainable development and climate impacts of policies and actions in an integrated manner is helpful for policy design, steering implementation towards desired goals, and leveraging enhanced ambition for NDC implementation to achieve global sustainable development and climate goals.

Intended audience

The primary intended users of the *Sustainable Development Methodology* are developing country governments and their partners (domestic and international) who are planning, implementing and assessing policies. Other stakeholders who are affected by, or can influence, the policy – such as research institutions, funders, financial institutions, non-governmental organizations and companies – can also use the methodology. The methodology can be used at the national, subnational or municipal level.

Types of sustainable development impacts

The methodology can be used to assess a wide variety of sustainable development impacts. It provides a process for selecting impact categories to assess, based on relevance, significance and policy priorities.

Dimension	Impact category group	Examples of impact categories
Environmental impacts	Air	<ul style="list-style-type: none"> • Climate change mitigation (SDG 13) • Air quality and health impacts of air pollution
	Water	<ul style="list-style-type: none"> • Availability of fresh water (SDG 6) • Water quality (SDGs 6, 14)
	Land	<ul style="list-style-type: none"> • Biodiversity of terrestrial ecosystems (SDG 15) • Land-use change, including deforestation, forest degradation and desertification (SDG 15)
	Waste	<ul style="list-style-type: none"> • Waste generation and disposal (SDG 12) • Treatment of solid waste and wastewater (SDG 6)
	Other/cross-cutting	<ul style="list-style-type: none"> • Resilience of ecosystems to climate change (SDG 13) • Energy (SDG 7)
Social impacts	Health and well-being	<ul style="list-style-type: none"> • Access to clean, reliable and affordable energy (SDG 7) • Quality of life and well-being (SDG 3)
	Education and culture	<ul style="list-style-type: none"> • Capacity, skills and knowledge development (SDGs 4, 12) • Climate change education, public awareness, capacity-building and research
	Institutions and laws	<ul style="list-style-type: none"> • Quality of institutions (SDG 10) • Public participation in policy-making processes
	Welfare and equality	<ul style="list-style-type: none"> • Poverty reduction (SDG 1) • Protection of poor and negatively affected communities (SDG 12) • Gender equality and empowerment of women (SDG 5)
	Labour conditions	<ul style="list-style-type: none"> • Quality of jobs (SDG 8) • Just transition of the workforce (SDG 8)
	Communities	<ul style="list-style-type: none"> • Traffic congestion (SDG 11) • Road safety (SDGs 3, 11)
	Peace and security	<ul style="list-style-type: none"> • Resilience to dangerous climate change and extreme weather events (SDG 13) • Security (SDG 16)
Economic impacts	Overall economic activity	<ul style="list-style-type: none"> • Economic activity (SDG 8) • Economic diversification (SDG 8)
	Employment	<ul style="list-style-type: none"> • Jobs (SDG 8) • Wages (SDG 8)
	Business and technology	<ul style="list-style-type: none"> • New business opportunities (SDG 8) • Competitiveness of domestic industry in global markets
	Income, prices and costs	<ul style="list-style-type: none"> • Income (SDG 10) • Costs and cost savings
	Trade and balance of payments	<ul style="list-style-type: none"> • Government budget surplus/deficit • Energy independence, security or sovereignty

Using the methodology during policy design and implementation

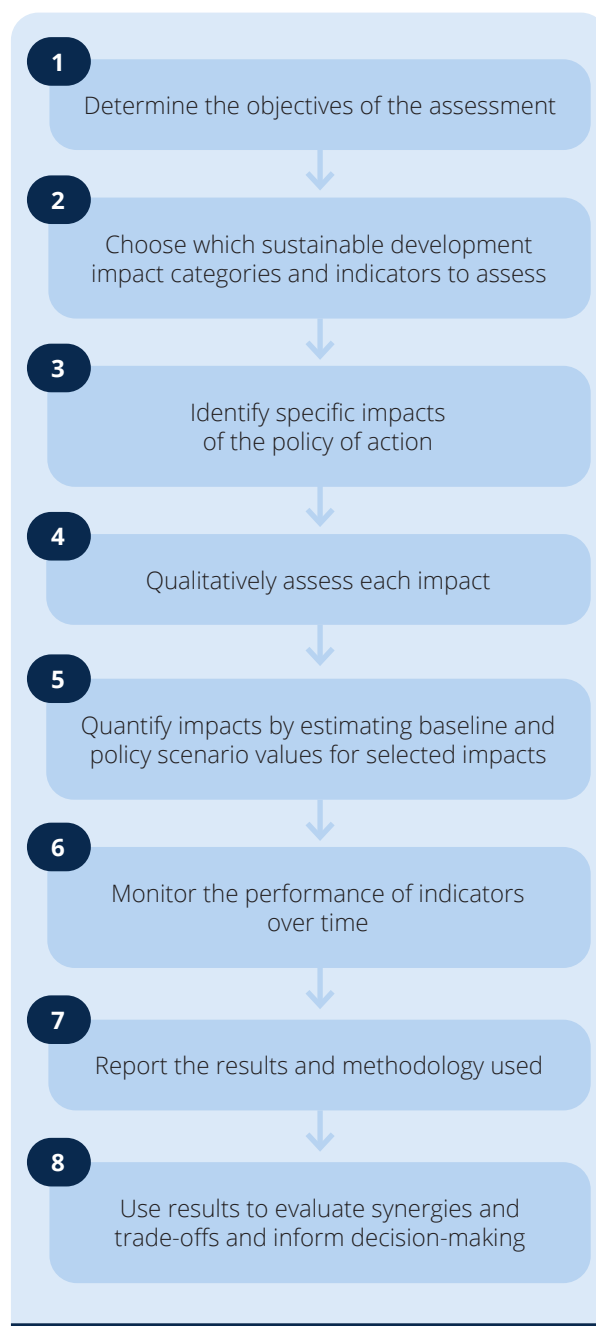
The methodology can be used at different stages of a policy design and implementation cycle: before, during or after policy implementation. It can be used to conduct forward-looking assessments of future impacts, as well as backward-looking assessments of past impacts.

It can be applied before policy implementation to inform policy design with a view to increasing expected social, economic and environmental benefits, and avoiding or addressing any possible negative impacts. It can be applied during policy implementation to inform policy changes based on how the policy is performing to date. To track and report social, economic and environmental results achieved, the methodology can be applied during or after policy implementation through a backward-looking assessment of impacts that resulted from the policy.

If the methodology is used at multiple stages in a policy design and implementation cycle, it becomes an iterative process, such that previous experience informs improvements to policy design and implementation, and the development of new policies.

Main steps for the methodology

The methodology provides a stepwise approach to assessing the impacts of policies. It provides flexibility, including whether to follow a qualitative or quantitative approach, based on users' objectives.



As an example, the methodology was applied in South Africa to inform waste management policy in a municipality. The South Africa Low Emission Development (SA-LED) programme supported the municipality in conducting an ex-ante assessment of

the sustainable development impacts of a proposed organic waste management option. The table shows a subset of quantitative results for selected impact categories, which were used to decide whether to implement the policy option.

Impact category	Indicator	Change relative to baseline scenario
Climate change mitigation	Reduction in GHG emissions	Reduction of 5,718 tCO ₂ e (tonnes of carbon dioxide equivalent) per year
Economic development	Earnings gained	Increase of 2,284,016 ZAR per year
	Gross domestic product gained	Increase of 3,907,917 ZAR per year
Jobs	Number of direct short-term construction jobs created	Increase of 31 jobs
	Number of indirect short-term construction jobs created	Increase of 22 jobs
	Number of direct long-term operations and maintenance jobs created	Increase of 1 job
	Number of indirect long-term operations and maintenance jobs created	Increase of 1 job
Waste generation	Change in amount of waste sent to landfill	Reduction of 9,697 tonnes per year
Land use	Lifespan of landfill	Increase of 3 years

