

## ICAT Strategic Approach

### *Overview*

The Initiative for Climate Action Transparency (ICAT) has built over its first 4 years a strong foundation for its activities in terms of tools, methodologies, knowledge, experience and active networks in some 40 developing countries.

The ICAT infrastructure reflects the results of an independent external evaluation and recommendations by ICAT's high-level Advisory Committee. It is tailored to support countries in developing their capacity to build and manage a strong transparency framework that can enable them to effectively implement the Paris Agreement.

Core features of a second phase for ICAT, in continuity of work accomplished and under way, are:

- Policy focus, aimed at enabling transformational change;
- Agility in responding to country needs, anchored in sustainable development assessments;
- Flexibility to innovate and create replicable approaches;
- Sound methodologies and tools; and
- Peer-to-peer collaboration and knowledge sharing.

In order for developing countries to develop and implement ambitious Nationally Determined Contributions (NDCs), the actions they commit to need to be anchored in sound data and information to underpin national policies that back up the actions required. Strong transparency frameworks enable national ownership, the integration of relevant stakeholders in policy processes, and they ensure accountability, at the national and international level, and in terms of policy and finance. An independent external evaluation recognized ICAT's impact in supporting countries to create such frameworks, enabling transformational policies based on sound evidence on their climate and local development impacts. An increasing number of developing countries are requesting ICAT's support.

ICAT 2.0 builds on experience of work done so far, taking successful aspects of work to the next level. Innovations include:

- Enabling transformational change: Placing still stronger emphasis on the links to sustainable development and finance, so that countries have the data and information required for mainstreaming climate policy in national development planning, including the data that allows integration of climate action through “green spending” in the COVID-19 recovery phase;
- Empowerment through participation: A focus on working with local staff or local institutions (e.g. think tanks, university institutes) helping them in a “hand-holding” manner with international expert support to prepare transparency frameworks (e.g. policy assessments, data protocols, trainings, system design);
- Flexible project design: Time-bound, targeted interventions with limited funding, rapidly deployed and in line with recipient countries' absorption capacity to allow for quick interventions and flexibility in project design. Successful, short (12-18 months) interventions may be followed up with additional project modules if needed, building on established collaboration and deepening engagement;

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- Peer-to-peer engagement: Pairing arrangements among partner countries to enable for direct interactions among national experts, sharing successful experience, approaches and tools. The selection of ICAT countries will be guided by ensuring a good mix of more and less advanced countries so that lighthouse examples can inspire others.

ICAT 2.0 will deliver tangible results up until June 2026, helping to move the Paris Agreement's implementation closer to its stated objectives. Focus is on enabling transformational change through evidence-based policymaking. Change will take more time to unfold, but by 2026, there will be early signs of ICAT's impacts in at least 42 developing countries, monitored based on ICAT's established monitoring, evaluation, learning and uptake (MELU) framework. ICAT's support will enable these countries in the areas covered to:

- Improve NDC implementation through effective tracking of progress and facilitated finance mobilization;
- Better reporting under the Enhanced Transparency Framework by 2024; and/or
- Update their NDCs in 2025 based on sound, evidence-based policy assessments.

Countries will include a mix of small and large, more advanced and less developed countries across Africa, Asia, Latin America, as well as the Caribbean and the Pacific to ensure maximum impact and broad learning through diversity.

### ***Country and regional support***

ICAT offers partner countries a menu of support options based on which they can tailor the project details that best suits their needs and priorities. Activities are country-driven, based on formal requests from ministries, and may include:

1. Building or enhancing the transparency systems for mitigation actions in one or several sectors, including: institutional capacity; greenhouse gas (GHG) inventories; reporting protocols and processes; data systems; and drafting of legal and regulatory documents;
2. Building a monitoring approach for adaptation actions in one or several sectors, including: stakeholder consultations; institutional capacity; reporting schemes; and data systems and tools;
3. Implementing and further developing NDCs, including: baseline; qualitative or quantitative indicators; tracking framework; and sustainable development impacts and transformational change potentials;
4. Assessing the impacts of policies (ex-ante or ex-post, in one or several sectors), using ICAT methodologies for the assessment of: GHG impacts; sustainable development impacts; and transformational change potential;
5. Integrating and/or aggregating climate actions through transparency at the subnational level and for non-state actors;
6. Identifying and furthering domestic benefits and synergies from enhanced climate action transparency, including using data and information to mobilize finance and to stimulate economic recovery during exceptional crises.

There is strong demand for ICAT support: In response to a call for expressions of interest in December 2019, 18 formal requests for ICAT support were submitted, all of which were judged valid by a panel of experts that reviewed the submissions. Given resource limitations, ICAT was only able to respond positively to eight of the 18 requests. Since then, additional informal requests were received.

*Country support* will be delivered through about 60 focused and time-bound (12 to 18 months) project modules to ensure that the country can absorb the support received. A country can receive support through up to three successive project modules if this is justified by the needs and level of engagement. If three such

project modules are implemented in a country, the overall engagement of ICAT would last between 3 and 4.5 years.

As another innovation, ICAT is planning to support countries through three *Regional Climate Action Transparency Hubs (ReCATHs)*. A first subregion has been identified in Africa (see below). The locations of the second and third ReCATHs will be defined during the completion of the project design but are envisaged to cover sub-regions in Asia and Latin America.

Based on a formal request for support from the Central African Forest Commission (COMIFAC), ICAT will support the ten member countries in the Congo Basin. COMIFAC coordinates and technically supports the countries through a Climate Change Working Group composed of United Nations Framework Convention on Climate Change (UNFCCC) National Focal Points, and REDD+ and NDC coordinators. ICAT would partner with the COMIFAC secretariat in Yaoundé to establish and run a sub-regional transparency hub. The programme would focus on needs-based joint training activities using ICAT's and other tools and methodologies to prepare countries for the implementation of the ETF. It would follow a "train-the-trainers" approach with local experts (also taking into account the language needs) to develop technical capacity and ensure longevity of effort.

### ***Knowledge development and sharing***

Distilling the lessons learnt from the country and the regional activities, feeding them back into ongoing activities and sharing them widely, is a central feature of ICAT's approach in order to reach beyond the limited set of countries directly supported. This will include further enhancing the ICAT toolbox based on lessons learnt and tools and methodologies further developed in response to needs identified. Results are published and actively disseminated to encourage their application in other countries and through other programmes contributing to a global community of practice on climate action transparency, working in close partnership with other relevant programmes and initiatives.

By establishing partnerships with other relevant programmes and initiatives, ICAT aims to help strengthen a global community of practice on climate action transparency. Central to this will be the ongoing provision of an online knowledge exchange platform co-developed with similar initiatives (currently in development). The platform will be an interactive site that enables these various communities of practice to connect, exchange and learn from each other, strengthening their capacity to meet their national climate goals and benefit their country's sustainable development.

Particular focus is placed on peer-to-peer learning among national experts by:

- Organizing together with partner initiatives regional, sub-regional or thematic workshops to facilitate exchange among country transparency experts and policymakers;
- Facilitating direct peer-to-peer collaboration among ICAT countries facing similar challenges and interested in using similar tools and approaches, through pairing arrangements to exchange practical insights and solutions.

ICAT has been collaborating with the Partnership for Transparency under the Paris Agreement (PATPA), and would continue to give PATPA the lead for regional workshops or specific language clusters (e.g. for Francophone and Lusophone countries). In the same way, ICAT would continue to contribute to the Latin-American network of transparency experts organized by the United Nations Environment Programme (UNEP).

Additional work encompasses the continuation of an e-learning course on enhanced transparency developed in partnership with the UNFCCC secretariat and other organizations. The training will be delivered blending e-learning with an in-person workshop to conclude the course. The course harvests knowledge created by ICAT work in its first phase, including its tools and methodologies. It will initially target Anglophone Africa, but would be expanded to other regions under ICAT 2.0. The e-learning focus will be in line with ICAT's approach to sustainable and resource-efficient operations, minimizing travel. This builds on and

extends the successful experience during the COVID-19 pandemic of reaching large expert audiences through virtual meetings and webinars.

### ***Overall programme impact***

The overall programme performance will be measured, monitored and evaluated based on a set of programme-specific Key Performance Indicators (KPIs) from ICAT's recently developed MELU framework. The MELU framework and a theory of change was developed over nine months through a process involving various stakeholders, including ICAT's Advisory Committee.

Three main impact categories form the core of ICAT:

#### ***1. Enhanced climate action transparency in the countries supported, enabling transformative policies and better reporting to the UNFCCC***

The activities at country and regional level will directly enhance capacity to build and manage data and information systems that support policies and measures for mitigation and/or adaptation. ICAT's focus is on policy impacts covering, besides GHGs, also sustainable development impacts and transformational change potential. Such impacts on ICAT countries' ability to enhance their climate action will be the main impact of ICAT.

In line with ICAT's MELU framework, as a result of work during the first phase, by 2021 ICAT will have achieved measurable impact in at least 26 countries. Benefiting from the ICAT infrastructure, this can be raised in the second phase, so that ICAT 2.0 will have measurable impact in at least 42 countries across Africa, Asia, Latin America, the Caribbean and the Pacific, advancing in each of them at least one of the following KPIs:

- A new/refined MRV framework developed and put in place to measure and report on the effectiveness of climate policies and actions (at the national or subnational level and/or sector-specific);
- A new/refined NDC tracking framework developed and put in place to improve tracking implementation and reporting on progress;
- Improved integration of data on actions by subnational and non-state actors into national level data collection and management processes;
- Adaptation monitoring measures, processes and/or plans have been developed and put in place; and/or
- An assessment of sustainable development impacts of climate-related policies has been conducted, and the data is used to engage planning ministries, treasuries or financial institutions.

For at least 36 of these countries, early signs of transformational change will be identified by 2025.

Particular focus is placed on enabling countries to integrate climate action into their development planning. This has proven particularly important during the COVID-19 crisis when special attention was placed on short-term economic impacts of public spending, for instance as part of stimulus packages, during the recovery phase.

#### ***2. Increased awareness, also in other countries, of the benefits of enhanced transparency that will encourage them to invest in data systems***

By supporting the sharing of good practice, ICAT enables success stories to be replicated across countries. By structuring country support in short projects that build on progress and learnings, ICAT has the flexibility to innovate based on successful experiences in individual country projects. The result will be heightened awareness of the benefits of enhanced transparency and evidence-based policy-making and implementation, beyond the countries directly supported. This will also be a sound foundation for support of further negotiations in the climate process.

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This will be measured through indicators, such as the number of ICAT partners (national and subnational governments and non-state actors) and participants of training and knowledge exchange activities that report putting into practice learnings on monitoring and evaluating climate action following knowledge sharing activities (e.g. workshops, bilateral visits).

### 3. *A set of tools and methodologies and supporting networks that countries worldwide can utilize for their transparency efforts*

ICAT's Toolbox as developed during the first phase includes a series of assessment guides and the data tools (GACMO, PROSPECTS+ and SINAMECC) to support countries' transparency efforts. They cover key aspects such as NDC tracking, assessment of sustainable development impacts and transformational change potential, and data management. All tools are open-source and freely available with the aim of developing them continuously through the application by countries. In this manner, a global community of practice is emerging around enhanced climate action transparency tools and practices.

This will be measured by assessing the number of ICAT and non-ICAT countries in which tools or methodologies from the ICAT toolbox will be applied, and the target is that this will happen in at least 30 other countries beyond those part of ICAT country projects.

#### ***Timeline***

ICAT was launched at the end of 2015 at the Paris conference to support implementation of the Paris Agreement and its enhanced transparency framework. In 2018, the ICAT Secretariat was formed to ensure effective coordination of the work. In 2019, ICAT was extended by two years to allow planned activities to be completed and to judge the viability of the approach. An external evaluation of ICAT finalized in early 2020 concluded that *"while ICAT faced a number of early alignment and coordination challenges that impacted initial programme delivery, it has positioned itself well overall to become an important mechanism for supporting improved climate action transparency."*

By mid-2026, ICAT with the infrastructure it has created and its effective approach to capacity building support, will be able help more countries advance a number of critical processes for the implementation of the Paris Agreement, including:

- Establishing a tracking mechanism to ensure the implementation and achievement of their NDCs;
- Creating the data and information basis for the next update of their NDCs in 2025;
- Building capacity and the necessary frameworks for the submission of their first Biennial Transparency Report (BTR) by the end of 2024 and subsequent ones every two years thereafter.

#### ***Exit strategy***

Operations will be programmed until late 2025, six months before the closing of ICAT activities in June 2026. This will allow for sufficient time to deal with any delays and ensure an orderly closure. Throughout the work, focus will be on ensuring long-term impact beyond ICAT's lifetime, in accordance with the theory of change (see appendix). The following aspects of the longevity of impact can be highlighted:

- Country ownership is the basis for ensuring that impacts of ICAT activities continue in countries beyond the lifetime of ICAT. In-country work focuses on building capacity among officials backed up by national experts and expert institutions and supported through systems and well-defined processes. The Regional Climate Action Transparency Hubs will anchor experts in the region close to the countries so that they can quickly draw on their expertise. Most of the capacity building focuses on learning by doing. Together, this ensures that impacts are self-supporting and sustained after the end of the programme. Once a first BTR is submitted, focus will be placed on securing a framework and related capacity that supports continuous reporting every second year.
- The focus on tools and methodologies, South-South networks and communities of practice will help ensure that transparency approaches will continue to spread and evolve also beyond the ICAT

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countries after the end of the programme. The tools and methodologies will be well-documented and remain accessible. ICAT's implementing partners include large institutions that will continue to support the tools and methodologies beyond ICAT's lifetime.

- Evidence-based policy frameworks are the foundation for programmatic climate finance, and the ICAT work will help countries access Green Climate Fund (GCF) funding and other resources to take efforts forward over the longer term.

While ICAT 2.0 will demonstrate initial impact by 2025, the work will initiate fundamental changes, the full results of which will show over a longer timeframe, as policy cycles take effect. Since focus is on empowerment of local actors and a global community of practice, ICAT's work will continue to contribute to global efforts to address climate change well beyond ICAT's lifetime

## Appendix

