ICAT overarching goal

Provide policymakers around the world with tools and support to assess the impacts of their climate policies and actions and support greater transparency, effectiveness trust and ambition in climate policies worldwide.

Two components of ICAT
• ICAT series of guidance
• Country support to build capacity
Multi-stakeholder partnership

DONORS

- Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
- CIFF
- Children’s Investment Fund Foundation
- MINISTERO DELL’AMBIENTE
- ClimateWorks

GRANT MANAGEMENT

- UNOPS

IMPLEMENTATION PARTNERS

- UNEP DTU Partnership
- VCS
- Veriﬁed Carbon Standard
- World Resources Institute

SUPPORTING PARTNERS

- Rainforest Alliance
- CCBA
- The Climate, Community & Biodiversity Alliance
- GHG Management Institute
- INFRAS
- NEW CLIMATE INSTITUTE
Overview

Introductory Guide

Introduction (Chapter 1)
Overview of the Guidance Documents (Chapter 2)
Using the Guidance Documents (Chapter 3)
1. INTRODUCTION TO ICAT

The introductory document of the ICAT series of guidance documents introduces the guidance documents and describes how to use them, and helps users plan the assessment of the impacts of their policies and actions.
1.1 Purpose of the guidance documents

1. Assessment process
   Help users assess GHG emissions, sustainable development and transformational impacts of policies in an integrated way.

2. Decision-making
   Help decision-makers develop effective and transformational strategies for achieving GHG mitigation and broader sustainable development objectives.

3. Reporting
   Consistent and transparent reporting of GHG, sustainable development and transformational impacts and policy effectiveness
1.2 Intended users

- **Governments**
  Assess the expected impacts of policies or actions to inform the design of transformational policies, and monitor progress and evaluate impacts of implemented policies or actions to learn from experience.

- **Donor agencies and financial institutions**
  Assess the impacts of financial support provided, such as grants or loans, to support transformational policies or actions.

- **Businesses**
  Assess impacts of private sector actions such as voluntary commitments and implementation of new technologies, private sector financing, or the impacts of government policies or actions on businesses and the economy.

- **Research institutions and NGOs**
  Assess the extent to which policies or actions are transformational to generate new information to increase stakeholder awareness and support decision makers.

- **Stakeholders affected by policies and actions**
  Participate more effectively in the design, implementation and assessment of policies and actions to ensure their concerns and interests are addressed.
1.3 Applicability of the methodology

A "policy or action" refers to interventions taken or mandated by a government, institution or other entity.

**Focus**: large-scale policies or actions that have an impact on climate change.

The ICAT series of guidance documents is a flexible methodology, that enables users to apply it within the context of their own objectives and circumstances:

- At any level of government
- In any sector
- To policies that are planned, adopted or implemented
- To policies that are new policies or actions, modifications or eliminations of existing policies or actions
1.4 When to use the guidance

EX-ANTE before policy implementation

Deciding on policy/action design and implementation

Understanding effectiveness of policies/actions

Reporting on policy/action impacts

EX-POST after policy implementation

Source: Adapted from GIZ (2016).
1.4 Implementation cycle

Define policy objectives

Identify potential policies and assess their impacts ex-ante

Select and implement policies

Monitor progress during policy implementation

Assess impacts ex-post

Most comprehensive approach is to apply the methodology:
1) before
2) regularly during
3) and after policy implementation

Chapter 1  Chapter 2  Chapter 3
1.5 Relationship to GHG inventories and national MRV systems
1.6 Relevance to Paris Agreement

<table>
<thead>
<tr>
<th>Paris Agreement</th>
<th>ICAT methodology</th>
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<tbody>
<tr>
<td><strong>Article 4</strong>: Parties are required to account for their NDCs, which include GHG targets, non-GHG targets and actions.</td>
<td>Help countries understand the impacts of various policies and actions and monitor progress over time.</td>
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<tr>
<td><strong>Article 6.2</strong>: Voluntary cooperative</td>
<td>Support countries that intend to transparently assess the GHG and sustainable development impacts of policies that may be transferred to another country.</td>
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<tr>
<td><strong>Article 6.4</strong>: Mechanism to contribute to the mitigation of GHG emissions and support sustainable development</td>
<td>Facilitate improved quality and transparency of the information countries report and prepare for technical expert review.</td>
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<td><strong>Article 13.3</strong>: Transparency framework</td>
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**ICAT methodology**

- Help countries understand the impacts of various policies and actions and monitor progress over time.
- Support countries that intend to transparently assess the GHG and sustainable development impacts of policies that may be transferred to another country.
- Facilitate improved quality and transparency of the information countries report and prepare for technical expert review.
2. OVERVIEW OF THE GUIDANCE

Overview of each guidance document.
2. Impact Assessment methodologies

- **GHG Impacts: Renewable Energy**

  Stepwise approach for assessing the **GHG impacts of renewable energy policies** and for estimating the effects of policy design characteristics, financial factors and other barriers.

  Focus on policies targeting renewable energy deployment:
  - Feed-in tariffs and feed-in premiums
  - Auction and tender policies
  - Tax incentive policies
2. Impact Assessment methodologies

➤ GHG Impacts: Buildings efficiency

Stepwise approach for assessing the **GHG impacts of energy efficiency policies** in the buildings sector, primarily **residential buildings** (new buildings, existing buildings with and without retrofit).

➤ Regulatory policies (for new buildings):
  • Building codes
  • Minimum energy performance standards for appliances
  • Mandatory labelling, certification and energy audits

➤ Financial support policies and direct financial incentives
  • Fiscal measures
2. Impact Assessment methodologies

- GHG Impacts: Transport pricing

Stepwise approach for assessing the **GHG impacts of pricing policies** in the transport sector, specifically for estimating the impacts of **higher fuel prices** using price elasticities of demand.

- Fuel subsidy removal
- Increased fuel tax or levy
- Road pricing (road tolls and congestion pricing)
- Vehicle purchase incentives for more efficient vehicles
2. Impact Assessment methodologies

**GHG Impacts: Agriculture**

General principles, concepts and procedures for estimating GHG impacts of *agricultural policies* mitigating GHG emissions from the following GHG sources and carbon pools:

- Enteric fermentation
- Soil carbon pools
2. Impact Assessment methodologies

- **GHG Impacts: Forest**

General principles, concepts and procedures for estimating GHG impacts of forest policies increasing carbon sequestration and/or reducing the GHG emissions from:

- Afforestation or reforestation
- Sustainable forest management
- Avoided deforestation or degradation
2. Impact Assessment methodologies

- **Sustainable Development**
  Stepwise approach to support integrating the **full environmental, social and economic impacts** most relevant to decision-making (national or local context) into the assessment process.

Achieve multiple objectives, such as:
- Tracking and reporting progress on NDCs
- Promoting integrated national planning
- Integrating climate policy into broader national development policy
2. Impact Assessment methodologies

- **Transformational Change**

  Stepwise approach to assess transformational impacts resulting from processes and outcomes of policies or actions, that drive structural changes in society towards climate change mitigation and sustainable development.

  Achieve multiple objectives, such as:
  - Assessing the extent of transformation
  - Developing effective strategies
  - Supporting transparent and consistent reporting
2. Impact Assessment methodologies

➢ Non-State and Subnational Action

Provides a comprehensive approach to integrate the impacts of non-state and subnational mitigation action in national or sectoral GHG projections and targets.

Non-state and subnational action:

➢ states and cities
➢ Private entities
➢ Civil society
2. Process Guidance Documents

Stakeholder Participation

Provides practical guidance on how to plan and implement an effective participatory process, as a support to all other ICAT guidance documents.

Stakeholder participation enhances policies and their assessment by:

- Raising awareness
- Enabling better understanding
- Building trust and support for policies
2. Process Guidance Documents

**Technical Review**

Provides guidance for **planning and conducting technical review**, based on three possible approaches.

Technical review:
- Supports learning and improvement of assessments over time
- Enhances transparency and reporting of impacts
3. USING THE GUIDANCE DOCUMENTS

Different approaches to use the guidance documents.
3.1 Different applications

Have you used the ICAT series of guidance documents before? Yes → Renewable Energy Methodology, Building Efficiency Methodology, Transport Pricing Methodology, Agriculture Methodology, Forest Methodology, Sustainable Development Methodology, Transformational Change Methodology. No → Introductory guide.

Which types of impacts would you like to assess? Yes → Non-State and Subnational Action Guide. No → Impact Assessment Methodologies.

3.2 Key recommendations and approaches to use the guidance documents

Key recommendations
Recommended steps or elements for users to follow when assessing and reporting the impacts of their policies and actions. Support transparent, consistent and comparable assessment

Flexible approach
- Key recommendations not necessarily followed
- More uncertain assessment
- Internal audience

Key recommendation approach
- All key recommendations are followed
- Credible impact assessments of high quality (consistent and transparent)
- External audience
Case Studies

Stakeholder Participation Methodology
• An Assessment of Stakeholder Participation in Malawi’s National Climate Change Management Policy, and Implementation, Monitoring and Evaluation Strategy for the National Climate Change Management Policy

Sustainable Development Methodology
• Sustainable Development Impact of the Cities Footprint Project on the Sustainable Development Goals in Five Cities of Bolivia
• An Assessment of the Sustainable Development Impact of Biodiversity Policy in South Africa through the ICAT SD Guidance

Transformational change Methodology
• Development of a Tonga Energy Efficiency Master Plan
• Assessment of the Transformational Change Potential for the Citizens of the Future Initiative in Bolivia
• Geothermal Energy Development Policy in Uganda
• Assessment of the Transformational Potential of the NACAG Initiative
Thank You

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# Types of policies and actions

<table>
<thead>
<tr>
<th>Type of policy and action</th>
<th>Description</th>
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<tbody>
<tr>
<td>Regulations and standards</td>
<td>Regulations or standards that specify abatement technologies (technology standard) or minimum requirements for energy consumption, pollution output, or other activities (performance standard). They typically include penalties for non compliance.</td>
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<tr>
<td>Taxes and charges</td>
<td>A levy imposed on each unit of activity by a source, such as a fuel tax, carbon tax, traffic congestion charge, or import or export tax.</td>
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<tr>
<td>Subsidies and incentives</td>
<td>Direct payments, tax reductions, price supports or the equivalent thereof from a government to an entity for implementing a practice or performing a specified action.</td>
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<tr>
<td>Voluntary agreements or actions</td>
<td>An agreement, commitment or action undertaken voluntarily by public or private sector actors, either unilaterally or jointly in a negotiated agreement. Some voluntary agreements include rewards or penalties associated with participating in the agreement or achieving the commitments.</td>
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<tr>
<td>Information instruments</td>
<td>Requirements for public disclosure of information. These include labeling programs, emissions reporting programs, rating and certification systems, benchmarking, and information or education campaigns aimed at changing behaviour by increasing awareness.</td>
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<tr>
<td>Emissions trading program</td>
<td>A program that establishes a limit on aggregate emissions of various pollutants from specified sources, requires sources to hold permits, allowances, or other units equal to their actual emissions, and allows permits to be traded among sources. These programs are also referred to as emissions trading systems (ETS) or cap-and-trade programs.</td>
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<tr>
<td>Research, Development and deployment (R&amp;D) policies</td>
<td>Policies aimed at supporting technological advancement, through direct government funding or investment, or facilitation of investment, in technology research, development, demonstration, and deployment activities.</td>
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<tr>
<td>Public procurement policies</td>
<td>Policies requiring that specific attributes (such as social or environmental benefits) are considered as part of public procurement processes.</td>
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<tr>
<td>Infrastructure programs</td>
<td>Provision of (or granting a government permit for) infrastructure, such as roads, water, urban services and high-speed rail.</td>
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<tr>
<td>Implementation of new technologies, processes or practices</td>
<td>Implementation of new technologies, processes or practices at a broad scale (e.g., those that reduce emissions compared to existing technologies, processes, or practices).</td>
</tr>
<tr>
<td>Financing and investment</td>
<td>Public or private sector grants or loans (for example, those supporting development strategies or policies such as development policy loans (DPLs) or development policy operations (DPOs) which includes loans, credits and grants).</td>
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