

Initiative for Climate Action Transparency

INTRODUCTORY GUIDE



ICAT overarching goal

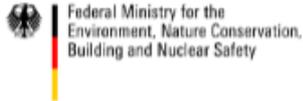
Provide policymakers around the world with tools and support to assess the impacts of their climate policies and actions and support greater transparency, effectiveness trust and ambition in climate policies worldwide.

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



MINISTERO DELL'AMBIENTE
E DELLA TUTELA DEL TERRITORIO E DEL MARE



GRANT MANAGEMENT



IMPLEMENTATION PARTNERS



SUPPORTING PARTNERS



Overview

Introductory Guide

Introduction (Chapter 1)

Overview of the Guidance Documents (Chapter 2)

Using the Guidance Documents (Chapter 3)



This button indicates a key recommendation

This is an interactive panel: navigate by clicking on a particular step

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.

More details about the types of policies or actions

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



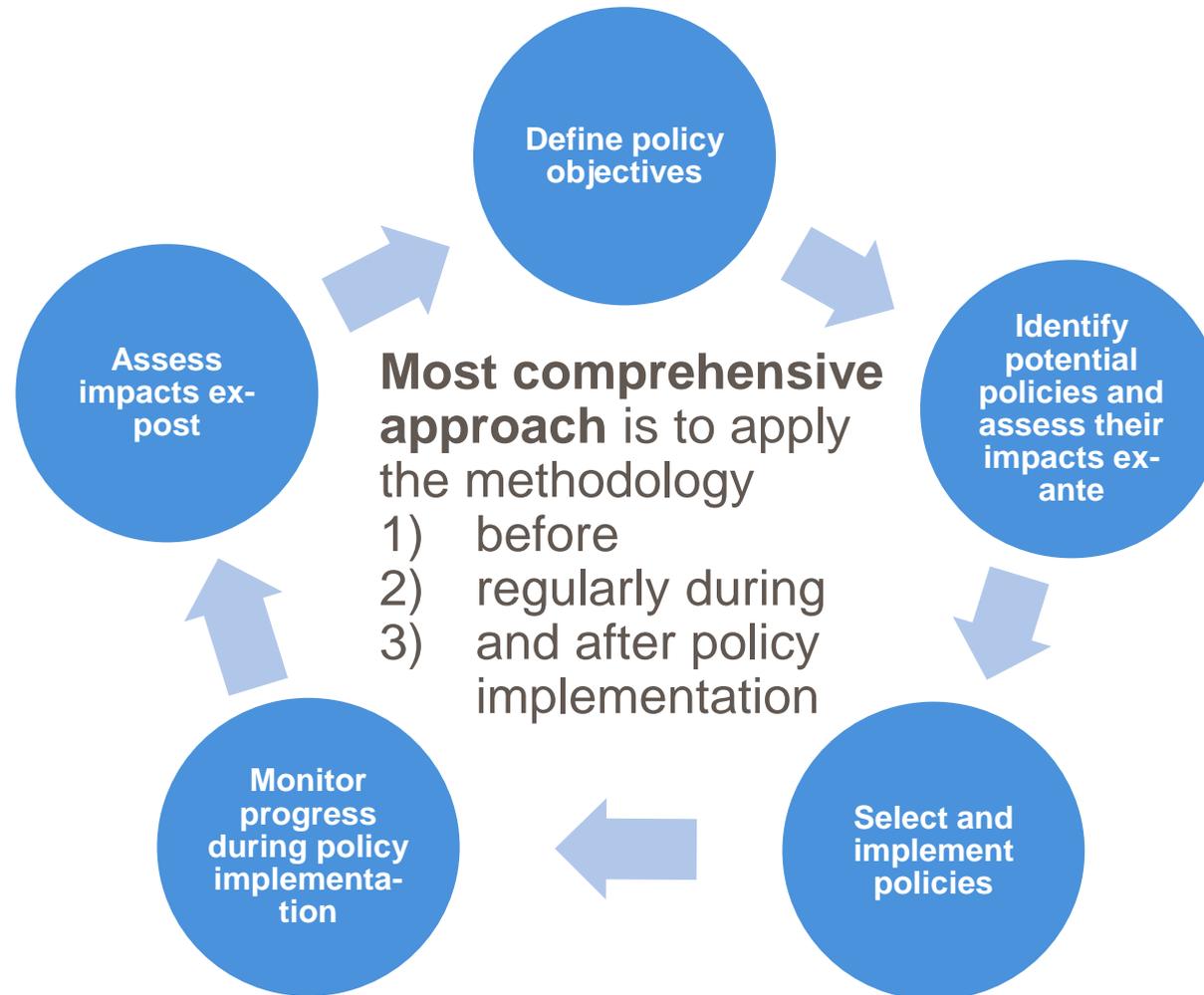
Reporting
on policy/action
impacts



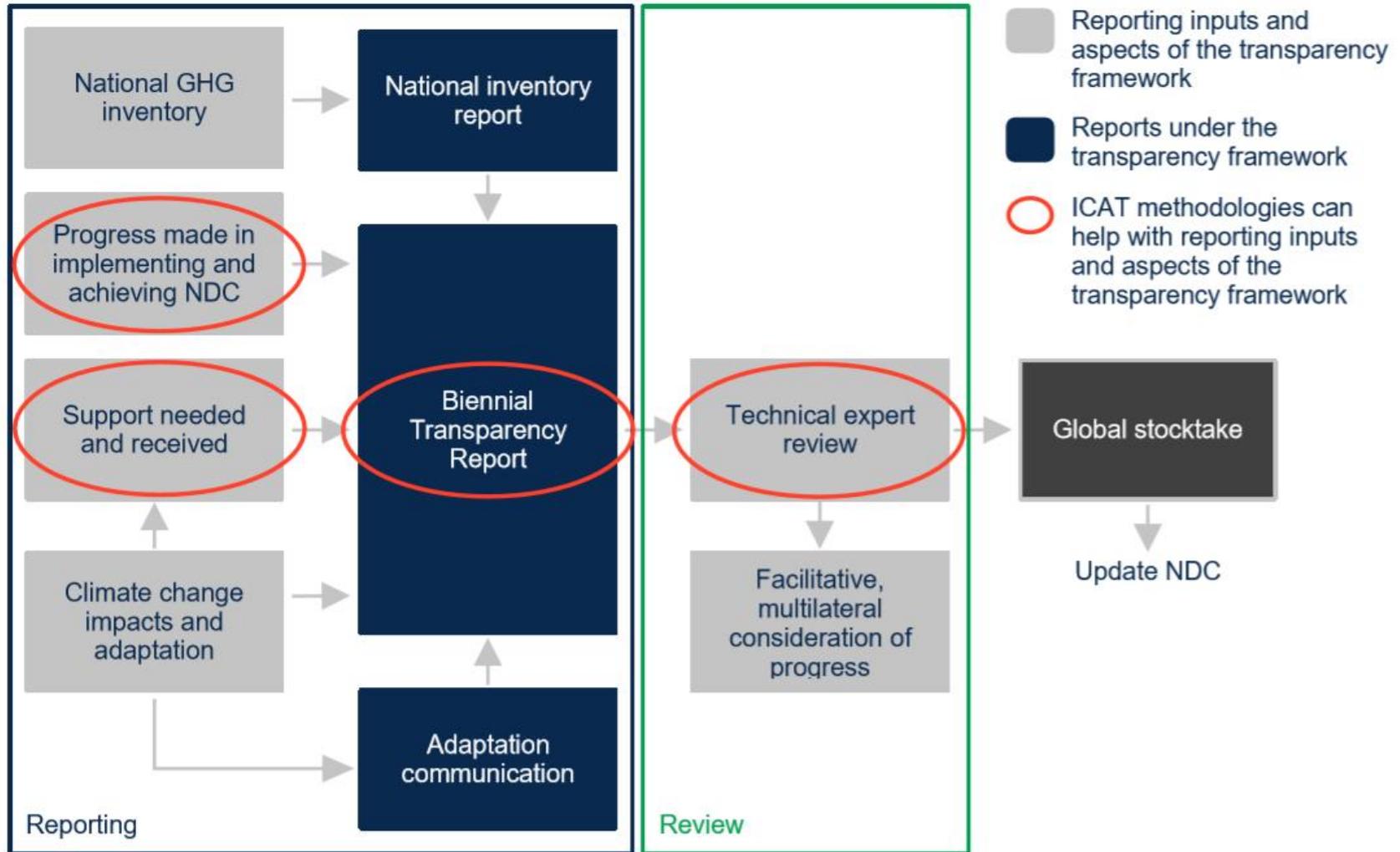
EX-POST
after
policy implementation

Source: Adapted from GIZ (2016).

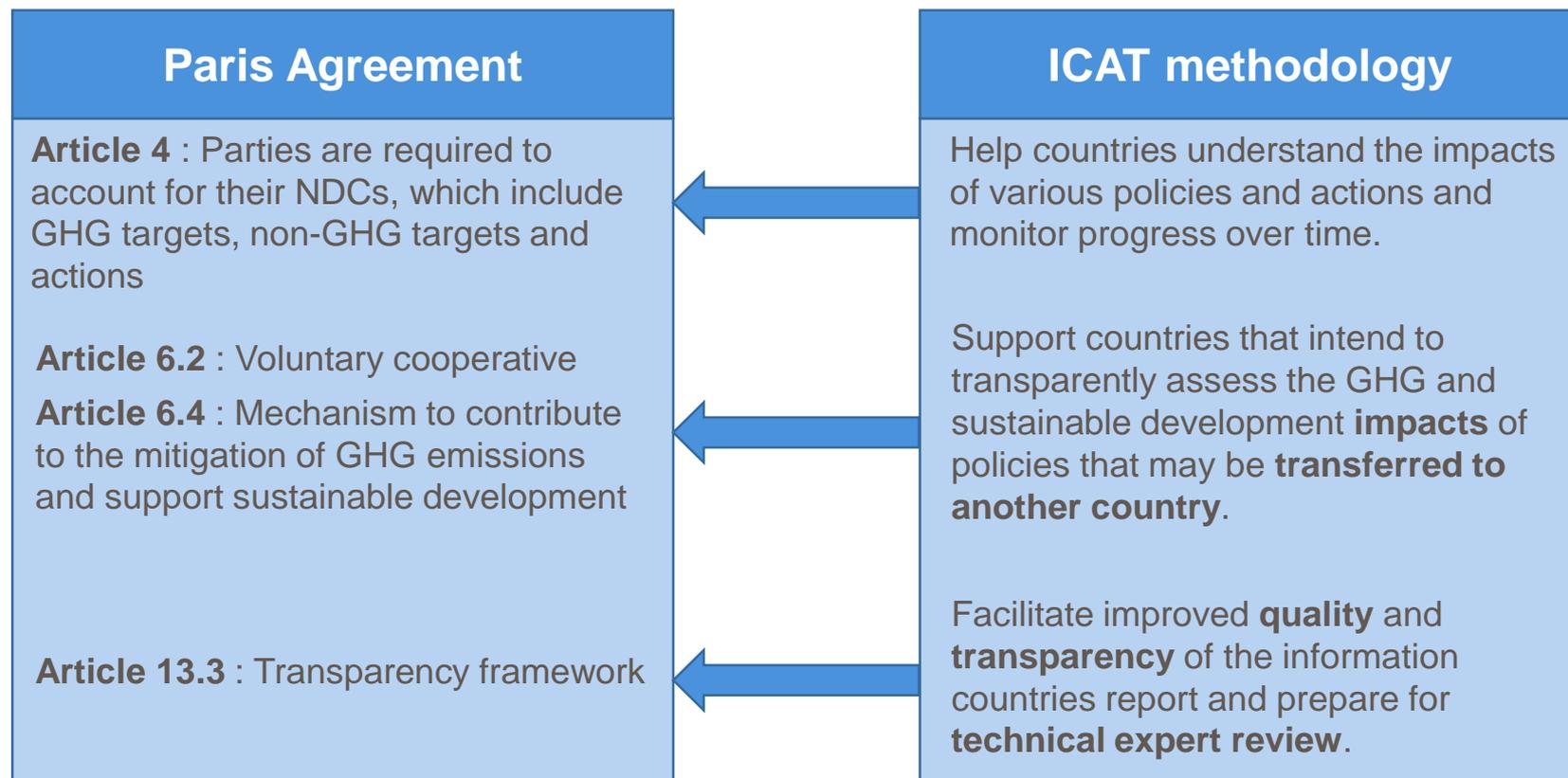
1.4 Implementation cycle



1.5 Relationship to GHG inventories and national MRV systems



1.6 Relevance to Paris Agreement



2. OVERVIEW OF THE GUIDANCE

Overview of each guidance document.



Introductory Guide

Introduction to the ICAT Assessment Guides

Impact Assessment Methodologies

Greenhouse gas impacts



Renewable Energy



Buildings Efficiency



Transport Pricing



Agriculture



Forestry



Sustainable Development



Transformational Change



Non-State and Subnational Action

Process Guidance Documents



Stakeholder Participation



Technical Review

Chapter 1

Chapter 2

Chapter 3

Click on each guidance document to get an overview

ICAT

INITIATIVE FOR
Climate Action
Transparency

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.



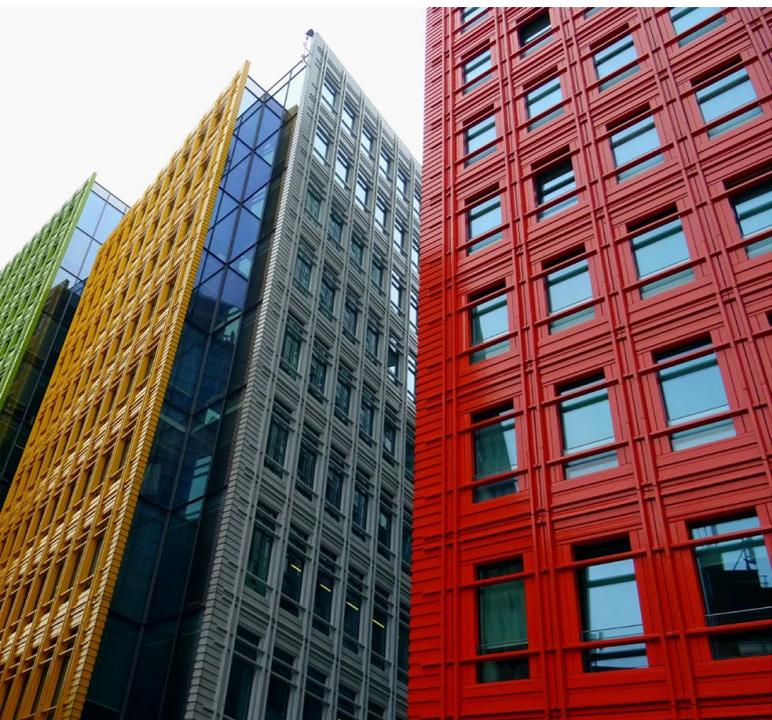
Focus on policies targeting renewable energy deployment:

- 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.



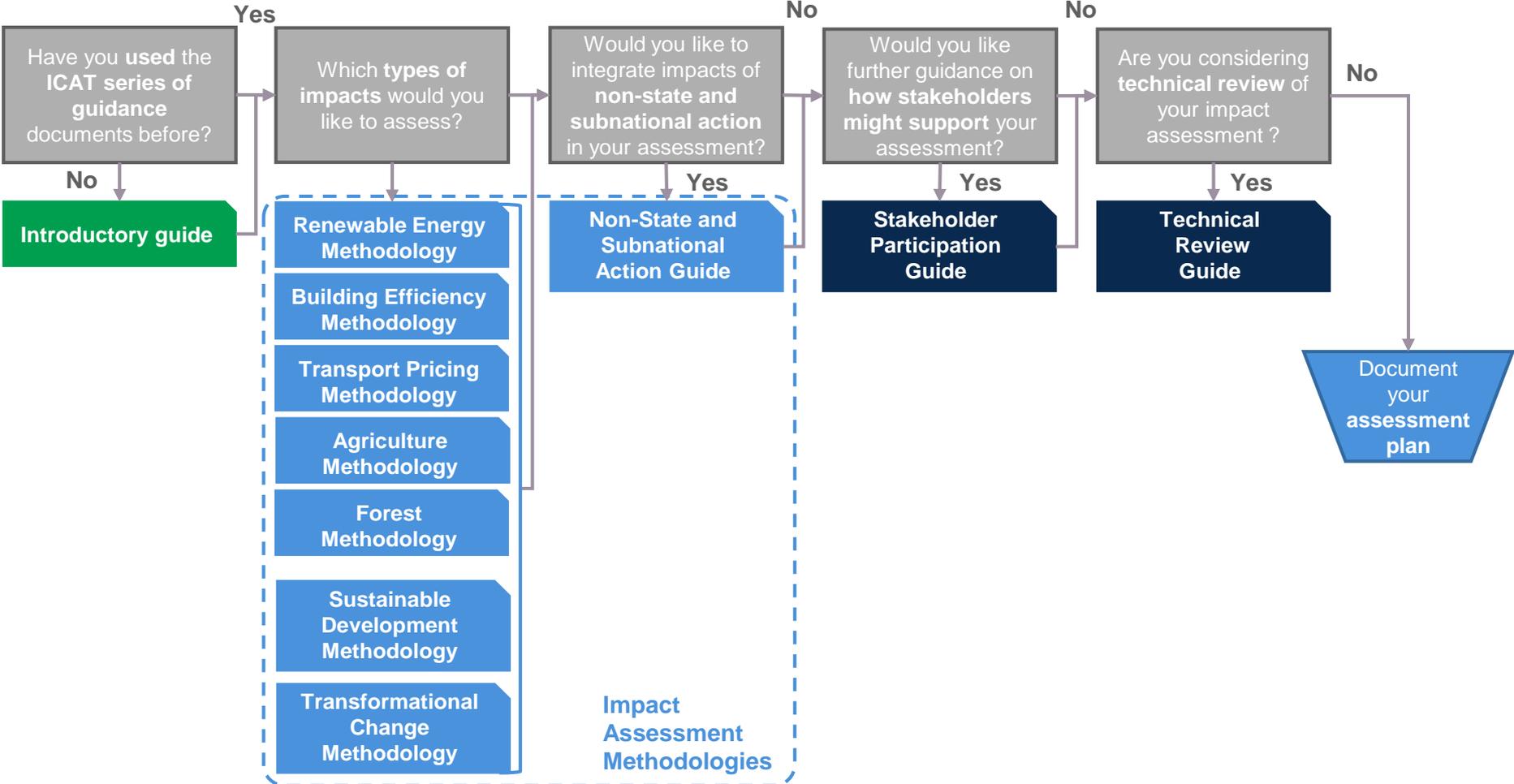
Technical review:

- 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



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



Type of policy and action	Description
Regulations and standards	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.
Taxes and charges	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.
Subsidies and incentives	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.
Voluntary agreements or actions	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.
Information instruments	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.
Emissions trading program	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.
Research, Development and deployment (R&D) policies	Policies aimed at supporting technological advancement, through direct government funding or investment, or facilitation of investment, in technology research, development, demonstration, and deployment activities.
Public procurement policies	Policies requiring that specific attributes (such as social or environmental benefits) are considered as part of public procurement processes.
Infrastructure programs	Provision of (or granting a government permit for) infrastructure, such as roads, water, urban services and high-speed rail.
Implementation of new technologies, processes or practices	Implementation of new technologies, processes or practices at a broad scale (e.g., those that reduce emissions compared to existing technologies, processes, or practices).
Financing and investment	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).