1 Introduction

Governments around the world are implementing increasingly ambitious policies and actions in pursuit of sustainable development and climate change objectives. Robust monitoring and reporting frameworks are essential in ensuring that policies and actions are effective in delivering their intended outcomes. Technical review is part of a state-of-the-art framework and can bring a number of benefits.

Reviews can enhance transparency, trust and confidence in the implementation of policies and actions, and the reporting of their impacts. This can be particularly important to donor agencies and financial institutions, which in turn can help policymakers secure funding or financing for their policies and actions. Reviews can play an important role in supporting learning and improvement of assessments over time. They can also help prepare countries for participating in technical expert review in line with the modalities of the Paris Agreement.

The unprecedented challenge of climate change requires that society undergoes a fundamental shift away from carbon-intensive and unsustainable models of development. As ever deeper emissions reductions are required, the effective assessment of policy impacts becomes increasingly important, and technical review in supporting and strengthening assessment processes becomes critical. The Initiative for Climate Action Transparency (ICAT) Technical Review Guide *helps policymakers and technical reviewers engage in productive reviews that can achieve these aims.*

1.1 Purpose of the guide

ICAT provides methodologies for assessing the greenhouse gas (GHG), sustainable development and transformational impacts of policies and actions. This document provides guidance for conducting technical review of impact assessment reports. Technical review is a process that evaluates an assessment report in accordance with the criteria and scope of the review.

Technical review can enhance policies and actions, and their assessment by:

- enhancing the credibility, accuracy and comprehensiveness of the assessment through a process of learning and improvement
- enhancing the transparency, stakeholder engagement and legitimacy of reported assessments
- enabling enhanced ambition in, and financing of, policies by increasing their effectiveness and the credibility of reporting.

The guide helps answer the following questions:

- Were the impacts of the policy that were estimated and reported in the assessment report consistent with ICAT key recommendations and assessment principles?
- How might future impact assessments be improved?

The guide was developed with the following objectives in mind:

- to raise awareness of the benefits of technical review
- to provide practical guidance on planning and conducting technical review fit for users' objectives.

The guide supports users in achieving various objectives for technical review. These objectives are described in Chapter 5.

The guide is intended to be used in combination with any other ICAT documents that users choose to apply. The series of ICAT assessment guides is intended to enable users to assess the impacts of

a policy[1] in an integrated and consistent way within a single impact assessment process. Refer to the *Introduction to the ICAT Assessment Guides*[2] for more information about the ICAT assessment guides and how to apply them in combination.[3]

1.2 Intended users

This guide is intended for two different target audiences. The first is the policymakers who will assess and report on the GHG, sustainable development and/or transformational impacts of their policies in an assessment report. These can be national, subnational or municipal governments, or others. Throughout this guide, the term "user" refers to this audience, and each of the ICAT assessment guides describes these users further.

The second target audience is those who conduct technical review of these impact assessments. Chapter 3 describes the various entities that can conduct a technical review (e.g. government agencies, academia, consultants, independent auditors). Throughout the guide, the term "technical reviewer" or "reviewer" refers to the entity or individual conducting the technical review.

1.3 Scope and applicability of the guide

This document provides general principles, concepts, considerations and procedures that are applicable to the technical review of an assessment report. Users determine whether, when and how to undertake technical review. Reviewing reports of GHG, sustainable development, transformational change and non-state or subnational assessments can help improve future assessments and provide confidence in the reported results. Users who are not currently pursuing review of their assessment reports can use this guide to consider and prepare for technical review in the future.

This document is organized into three parts (see Figure 1.1) and details a process for users to follow when conducting a technical review. The guide outlines three different approaches (first, second and third party) for conducting a technical review for the user to choose from, depending on their objectives. It describes elements that define credible technical review and the steps to follow when pursuing or conducting technical review. To produce a credible technical review, technical reviewers should follow a documented and systematic review process.

The scope of this guide includes the technical review process that leads to a technical review report. The review evaluates an assessment report, which documents the information necessary to demonstrate how the key recommendations were followed and that they were followed in a manner consistent with the principles.

The assessment report can be developed by following a single ICAT assessment guide such as the ICAT *Transport Pricing Methodology*, or can be based on a number of assessment guides such as the *Transport Pricing Methodology, Sustainable Development Methodology* and *Stakeholder Participation Guide*. An overview of the series of ICAT assessment guides is provided in the *Introduction to the ICAT Assessment Guides*.

The guide is applicable to impact assessments that have followed the "key recommendations approach", but not to those that have followed the "flexible approach". Refer to the *Introduction to the ICAT Assessment Guides* for more information on these two approaches.

1.4 When to use the guide

The guide can be used throughout the policy cycle, depending on when the impact assessment was conducted, including:

- **before policy implementation** – to review reported estimates of expected future GHG, sustainable development and/or transformational impacts of a policy (through ex-ante technical review)
- **during policy implementation** – to review reported estimates of achieved GHG, sustainable development and/or transformational impacts to date; key performance indicators; and expected future impacts of a policy

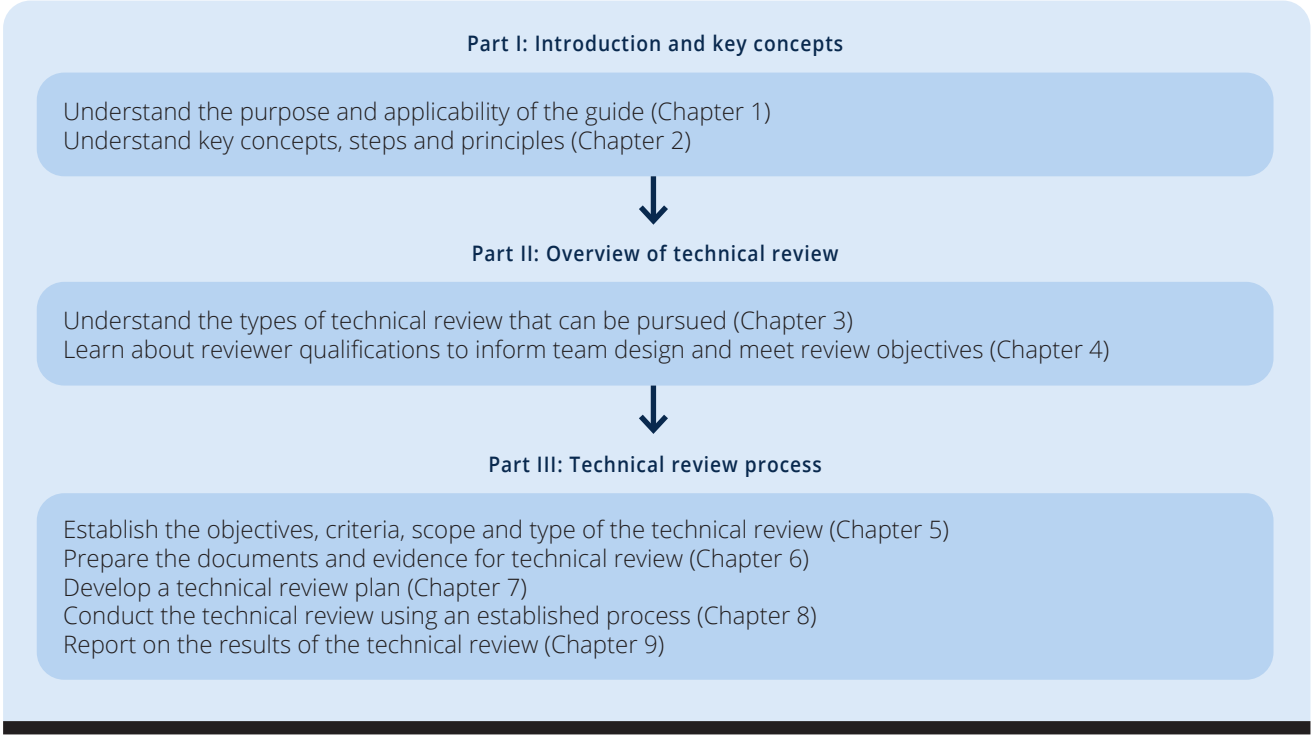
[1] Throughout this guide, where the word "policy" is used without "action", it is used as shorthand to refer to both policies and actions. See Glossary for definition of "policy or action".

[2] https://climateactiontransparency.org/wp-content/uploads/2020/01/Introduction-to-the-ICAT-Assessment-Guides.pdf

[3] https://climateactiontransparency.org/wp-content/uploads/2020/01/Technical-Review-Guide-Executive-summary.pdf

FIGURE **1.1**

Overview of the guide



- **after policy implementation** – to review reported historical GHG, sustainable development and/or transformational impacts that occurred as a result of a policy (through ex-post technical review).

The guide is designed mainly for technical review during or after policy implementation (i.e. ex-post technical review), although users can apply it to technical review of an ex-ante impact assessment. For example, technical review can be performed before implementation of a policy when the user, as part of their planning activities, wants to obtain confidence that the policy is likely to achieve its expected impact. Technical review is more likely to be performed ex-post – for example, before a user's public release of a final assessment report, to provide a progress update and inform a potential adjustment to the course of a policy, or to offer conclusions on the final performance and effectiveness of a policy. This allows many material issues to be corrected before the release of the assessment report.

In GHG programmes and related assessment processes, reviewing an ex-ante impact assessment is known as "validation", and reviewing an ex-post impact assessment is known as "verification". This guide uses the term "technical review" to apply to both validation and verification, and, like the Greenhouse Gas Protocol *Policy and Action Standard*,[4] to cover both ex-ante and ex-post review.

1.5 Key recommendations

The guide includes key recommendations that are recommended steps to follow when preparing for, pursuing or conducting technical review of an impact assessment. The key recommendations are directed towards the technical reviewer, to help them conduct technical reviews that are consistent with this guide, and based on the principles of ethical conduct, fair presentation, due professional care, independence and an evidence-based approach.

Key recommendations are indicated in subsequent chapters by the phrase "It is a *key recommendation* to …". All key recommendations are also compiled in a checklist at the beginning of each chapter.

[4] WRI (2014).

Technical reviewers who want to follow a more flexible approach to accommodate different capacities can use the guide without adhering to the key recommendations. The *Introduction to the ICAT Assessment Guides* provides more information about how and why key recommendations are used within the ICAT assessment guides, and on following either the "flexible approach" or the "key recommendations approach" when using the documents. Refer to the *Introduction to the ICAT Assessment Guides* before deciding which approach to follow.

1.6 Limitations

Uncertainty is inherent in the assessment of policy impacts. The potential uncertainty, and variability across different impact assessments, depends on the methodologies, assumptions and data used for the estimates in an assessment report. It is important to consider the potential limitations relating to the accuracy of estimates in an assessment report:

- **Using results that are sufficiently accurate for the stated objectives.** This guide incorporates a range of approaches to allow users to manage trade-offs between the level of independence of the technical review and available resources and capacity, taking into consideration national circumstances. Depending on the approach used, the technical review may or may not be sufficient for all purposes. Given the uncertainties around the impact assessment of policies, the results of a technical review should be interpreted as a statement of the estimate of policy impacts. This can be expressed with or without a specified level of assurance.

- **Interpreting results.** Users should exercise caution when evaluating the results of a technical review. Differences in technical review conclusions may result from the extent to which key recommendations are followed or the approach to technical review. The guide is not designed to provide assurance for crediting mechanisms, although users can approach technical review as a complementary process to others that are designed to support crediting mechanisms.

1.7 Relationship to other resources

This guide builds and relies on various guidelines, standards and programmes, including International Organization for Standardization (ISO) standards, the Intergovernmental Panel on Climate Change (IPCC) *2006 IPCC Guidelines for National Greenhouse Gas Inventories*,[5] the *Policy and Action Standard*, the Clean Development Mechanism (CDM), the United Nations Framework Convention on Climate Change (UNFCCC) modalities and guidelines for international consultation and analysis, and the Verified Carbon Standard (VCS) Program.

1.8 Process for developing the guide

This guide has been developed through an inclusive, multi-stakeholder process convened by ICAT. The development is led by the Rainforest Alliance and Verra, who serve as the secretariat and guide the development process. The Technical Working Group (TWG) consists of experts and stakeholders from a range of countries identified through a public call for expressions of interest. The TWG contributed to the development of the technical content of the guide through participation in regular meetings and written comments. A Review Group provided written feedback on the first draft of guide. ICAT's Advisory Committee, which provides strategic advice to the initiative, reviewed the second draft.

The second draft was applied by ICAT participating countries and other non-state actors to ensure that it can be practically implemented. The current version of the guide was informed by the feedback gathered from that experience and includes case studies from those applications.

More information about the development process, including governance of the initiative and the participating countries, is available on the ICAT website.[6]

All contributors are listed in the Contributors section.

[5] The enhanced transparency framework states that "Each Party shall use the 2006 IPCC Guidelines and any subsequent version or refinement of the IPCC Guidelines agreed upon by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA)".

[6] https://climateactiontransparency.org