OVERVIEW OF THE ICAT SERIES OF ASSESSMENT GUIDES

The unprecedented challenge of climate change requires rapid and deep transformations – in virtually all sectors and all parts of society – away from the prevailing carbon-intensive, high-emission modes of production and consumption. The urgency of policy action for a transition towards sustainable development and net zero global greenhouse gas (GHG) emissions was underlined in the 2018 Special Report on Global Warming of 1.5°C by the Intergovernmental Panel on Climate Change.

The Paris Agreement sets out an enhanced transparency framework for countries, to build mutual trust and confidence, and promote effective implementation. The Paris Agreement also requires countries to prepare nationally determined contributions (NDCs) and successively raise their ambition towards achieving the objectives of the Agreement. Transparency through evidence-based policymaking can support effective implementation and accelerated climate action.

In this context, the Initiative for Climate Action Transparency (ICAT) aims to help countries assess the impacts of their climate actions, and to support greater transparency, effectiveness, ambition and trust in climate policies. ICAT integrates methodological guidance, capacity-building and knowledge sharing to strengthen the transparency and effectiveness of climate policies and actions worldwide.
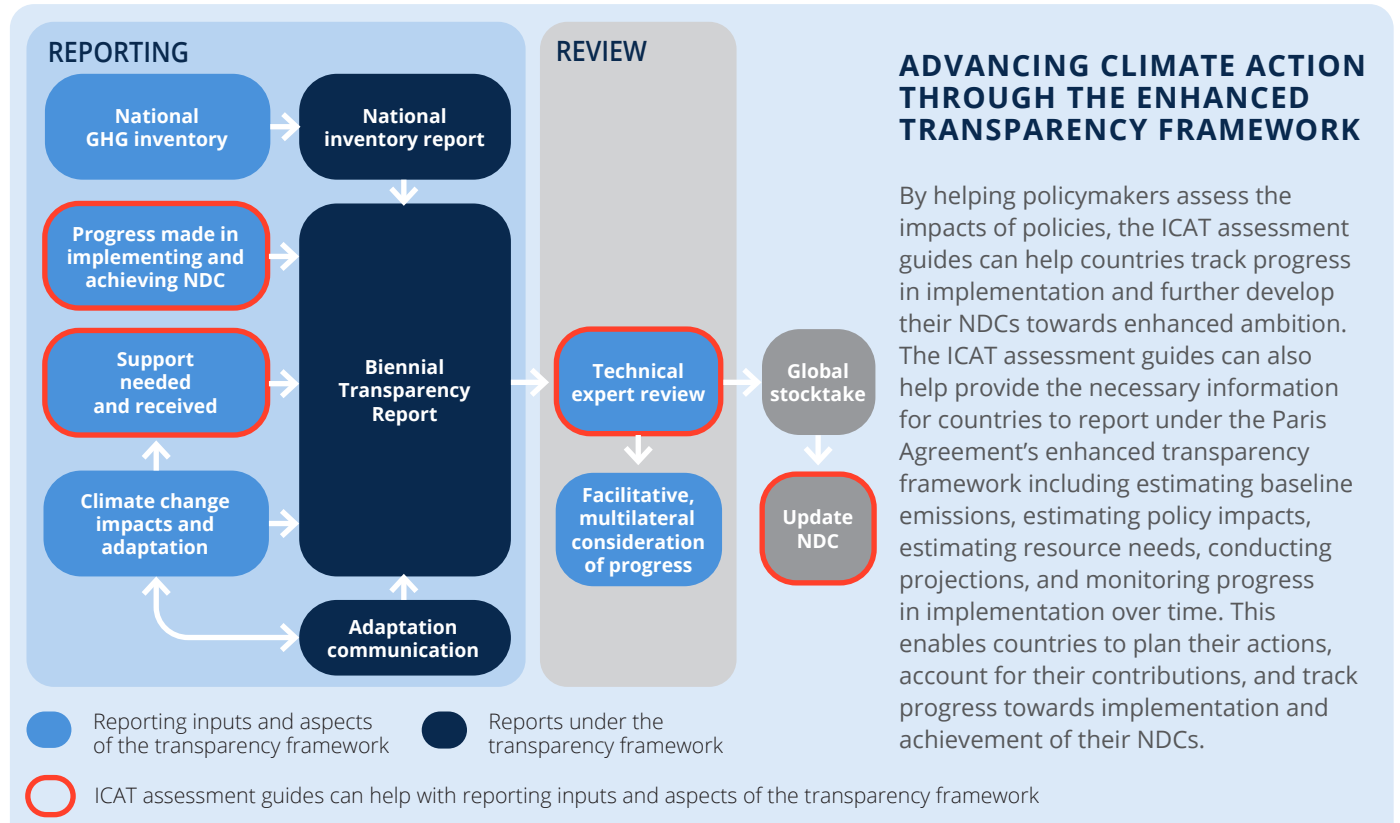
ASSESSING THE IMPACTS OF POLICIES AND ACTIONS

The ICAT assessment guides are a series of methodologies for assessing the GHG, sustainable development and transformational impacts of policies and actions in an integrated and comprehensive manner across all levels of governance.

GHG impacts are changes in carbon dioxide (CO_2) and other GHG emissions by sources, and removals by sinks. Positive sustainable development impacts include improved health from reduced air pollution, job

creation, poverty reduction, increased energy access, gender equality, and many others. Transformational impacts result from policies that truly disrupt the status quo, and entrench new technologies, behaviours and social norms for a zero-carbon society, leading to fundamental changes that are sustained over time. Policies and actions are required at all levels, from national to city level, and encompassing non-state actors.

SERIES OF ICAT ASSESSMENT GUIDES

Introduction to the ICAT assessment guides

Impact assessment guides

Greenhouse gas impacts:

- Renewable Energy
- Transport Pricing
- Forestry
- Agriculture
- Buildings Efficiency

- Sustainable Development
- Transformational Change
- Non-State and Subnational Action

Process guides

- Stakeholder Participation
- Technical Review

REPORTING

National GHG inventory → National inventory report

Progress made in implementing and achieving NDC

Support needed and received

Climate change impacts and adaptation

Biennial Transparency Report

Adaptation communication

REVIEW

Technical expert review

Facilitative, multilateral consideration of progress

Global stocktake

Update NDC

Reporting inputs and aspects of the transparency framework

Reports under the transparency framework

ICAT assessment guides can help with reporting inputs and aspects of the transparency framework

ADVANCING CLIMATE ACTION THROUGH THE ENHANCED TRANSPARENCY FRAMEWORK

By helping policymakers assess the impacts of policies, 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 including estimating baseline emissions, estimating policy impacts, estimating resource needs, conducting projections, and monitoring progress in implementation over time. This enables countries to plan their actions, account for their contributions, and track progress towards implementation and achievement of their NDCs.

Policy impact assessment supports evidence-based decision-making by enabling policymakers and stakeholders to understand the relationship between policies and their expected GHG and other impacts. Recognizing the multiple objectives of transparency, policymakers may want to understand these impacts to:

- improve policy design and implementation
- design policies that generate a variety of positive environmental, social and economic benefits, and avoid or address negative impacts
- inform goal setting by assessing the potential contribution of policies to goals such as NDCs and the SDGs
- track progress towards these goals and understand the contribution of policies to achieving them
- evaluate the transformational impact of a policy
- provide information for reporting domestically or internationally, including under the Paris Agreement's enhanced transparency framework
- attract finance by demonstrating the results of effective policies and the ability to monitor implementation.

THE ICAT ASSESSMENT GUIDES

The ICAT series of assessment guides comprises 10 guides and an introduction, which provides an overview to help users plan their assessments. The guides use a flexible approach so that policymakers and other users can apply them in the context of their own objectives and circumstances.

The core of the series is the impact assessment methodologies for assessing the GHG, sustainable development and transformational impacts of policies, including a methodology for aggregating the impacts of non-state and subnational actions; these impact assessment methodologies are shown in dark blue in the diagram on the cover page. The GHG impact assessment methodologies concentrate on commonly implemented policies and fill gaps in existing guidance, rather than covering all policies. Methods are provided for identifying the scope of the assessment, defining baseline and policy scenarios, and monitoring indicators and parameters for estimating policy impacts. The guides describe how indicators and parameters can be defined to ensure that the results can be directly used for reporting under the enhanced transparency framework.

The impact assessment methodologies are supported by process guides covering stakeholder participation and technical review (light blue in the diagram). These address essential aspects of successful policymaking, including using stakeholder participation to strengthen policy design and implementation, and using technical review as a tool for learning and improvement in impact assessments.

The guides can be used on their own, or together with other guides. For example, the Transport Pricing Methodology could be used with the Sustainable Development Methodology to assess both the GHG and the broader environmental, social and economic impacts of a new transport policy. Using the Stakeholder Participation Guide would help build trust and support for the policy.

The guides are a result of collaboration with technical experts from around the world. They have been used to support capacity-building for transparency in more than 20 countries. Case studies are available on the ICAT website.

Renewable energy

Renewable energy is often a central pillar of national climate policies, given the scale of energy sector emissions and the opportunity for increasingly cost-competitive renewables to displace conventional (fossil fuel) sources of energy. Incentive mechanisms are a core driver of the expansion in renewable energy capacity in many countries. The Renewable Energy Methodology focuses on renewable energy policies that are commonly implemented and have been shown to be successful in promoting renewable energy deployment for electricity generation: feed-in tariff policies (including feed-in premiums), auction policies (including tenders) and tax incentive policies.

Transport pricing

The transport sector is responsible for 18% of global GHG emissions, and emissions continue to grow. Pricing policies in the transport sector can play an important role in reducing GHG emissions, and can be considered win–win policies because of the multitude of environmental, social and economic benefits they bring. The Transport Pricing Methodology provides extensive background on transport pricing policies. It covers policies that remove fuel subsidies, increase fuel taxes and levies, introduce road pricing, and establish purchase incentive programmes for more efficient vehicles. Implemented well, these policies reduce vehicle travel, and cause shifts to more efficient modes of transport (such as public transit), and more fuel-efficient vehicles and alternative-fuel vehicles.

Forest

The inclusion of REDD+ (efforts to reduce emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests and enhancement of forest carbon stocks) in the Paris Agreement sent a clear message about the importance of forest conservation and restoration in achieving net zero global emissions. Activities such as afforestation, sustainable forest management and reducing deforestation are often low-cost mitigation options, and can play an important role in reducing GHG emissions and enhancing carbon stocks. The Forest Methodology helps policymakers and other users assess the impacts of forest policies that target these activities. This can help address uncertainties around the effectiveness of forest policies and the permanence of increased carbon stocks, to help countries access REDD+ funding and finance.

Agriculture

Agriculture is of critical importance to many developing countries. Investments in the sector can contribute to achieving many, if not most, of the SDGs, from eliminating hunger and improving nutrition and food security, to ending poverty, achieving gender
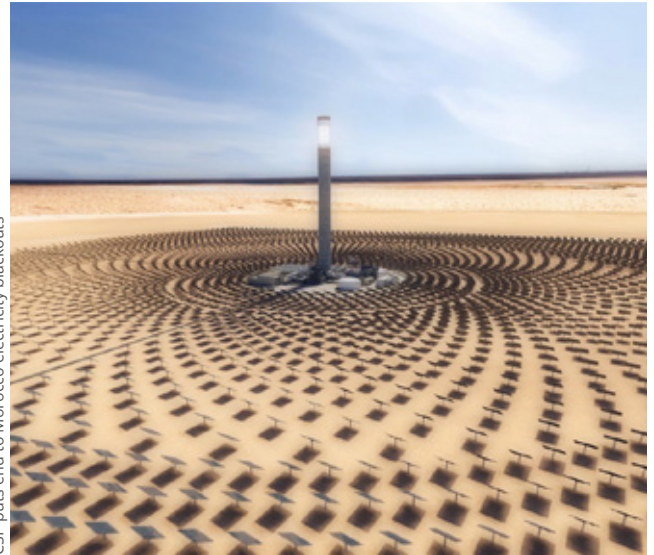
Credit: solarpace.org – New Energy Update: CSP puts end to Morocco electricity blackouts

equality, ensuring availability of clean water, protecting terrestrial ecosystems, spurring economic growth and addressing climate change. The Agriculture Methodology focuses on agricultural policies that target cropland management, restoration of organic soils and grazing land management. Soil carbon stocks can be increased through activities such as agricultural residue management, agroforestry, and switching to no-till or conservation tillage agriculture. Methane emissions from ruminant livestock can be reduced by activities such as improving feeding strategies, improving herd management and breeding, and implementing silvopastoral systems.

Buildings efficiency

Buildings represent more than 30% of final energy consumption, and countries are increasingly implementing policies to address energy efficiency in the building sector. The Buildings Efficiency Methodology applies to both new and existing buildings, focusing on regulatory policies (e.g. building codes, energy performance standards for appliances, energy labelling programmes) and financial support policies (e.g. grants and subsidies for energy-efficient investments, tax incentives or reduced value-added tax for energy-efficient investments).

Sustainable development

Sustainable development is a key policy driver in developing countries. The SDGs provide a shared blueprint for achieving a better and more sustainable future for all. Building upon this, the Sustainable Development Methodology helps policymakers and other users to systematically assess multiple development and climate impacts. This helps advance policies that contribute to multiple SDGs and priorities, build support for climate actions by assessing and communicating the impacts that are most relevant to national audiences, and inform policy design and implementation to maximize positive impacts, and avoid or address unintended or negative impacts.

Transformational change

The concept of transformational change is a mobilizer for enhanced ambition in climate action. It has gained traction among climate change and sustainable development decision makers and practitioners, in recognition of the fundamental, radical changes in economic activity required to meet the global goals for climate and sustainable development. Transformational change refers to system change, rather than singular, stand-alone development, and involves multiple actors at multiple levels of society. The Transformational Change Methodology defines transformational change for GHG mitigation and unpacks this definition to provide a stepwise approach to determining the extent to which a policy is truly transformational. The methodology has been met with interest by financial institutions and programmes as a basis for assessing the expected or achieved transformational impact of policies and investments.

Non-state and subnational action

The Paris Agreement recognizes the importance of non-state and subnational actions, and explicitly encourages non-state actors (e.g. companies, investors) and subnational actors (e.g. cities, states, regions)

to scale up their climate actions. The Non-State and Subnational Action Guide assists national policymakers and other users to determine the potential impact of these actions. This knowledge can inform and improve the development of national GHG trajectories, climate policies and future targets. The guide can be applied to aggregate the contributions of non-state and subnational actors, or to fully integrate these actions into national projections.

Stakeholder participation

Stakeholder participation enhances the effectiveness of policies by integrating stakeholder knowledge and perceptions into policy design and implementation. It also builds support for policies through increased transparency, accountability and legitimacy of decision-making. Paying attention to marginalized people or groups – such as women, indigenous peoples and local communities – can be a key determinant of policy success. The Stakeholder Participation Guide helps policymakers conduct effective stakeholder participation in pursuit of these goals, and is designed to be used in conjunction with the ICAT impact assessment methodologies.

Technical review

Independent technical review of policy impact assessments can play an important role in supporting learning and improvement of assessments over time. Reviews can also help to enhance transparency, trust and confidence in the implementation of policies, 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. The Technical Review Guide helps policymakers and technical reviewers engage in productive reviews that enhance policy assessments.

ICAT'S OFFER TO COUNTRIES

ICAT provides support to help countries use the assessment guides. Support is tailored to specific country needs and priorities, covering all aspects of their work under the Paris Agreement's enhanced transparency framework. Countries choose the methodologies that they would like to use as part of their ICAT project, and decide what the focus of the work should be, such as:

- building and/or enhancing their transparency systems, based on needs assessment for monitoring, reporting and verification capacity
- tracking progress made in implementing and achieving NDCs, including developing qualitative or quantitative indicators

- using methodologies and tools to assess the impacts (GHG emissions and removals, and socioeconomic and other environmental impacts) of specific policies, measures, actions and plans
- integrating or aggregating transparency at the subnational level and for non-state actors, as relevant for the national transparency systems and national institutional arrangements
- identifying domestic benefits and synergies from enhanced climate action, including mobilizing finance for policy implementation.

Countries interested in such support are invited to contact the ICAT Secretariat at ICAT@unops.org.

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