
4 Steps and assessment principles

This chapter provides an overview of the steps involved in the assessment of the extent of transformation expected or achieved by policies and the principles of impact assessment.

Checklist of key recommendations

- Base the assessment on the principles of relevance, completeness, consistency, transparency, accuracy and reflection on ambition

4.1 Overview of steps

This methodology is organized according to the steps a user follows in assessing the transformational impacts of a policy (see [Figure 1.1](#)). Depending on when the methodology is applied, users can select [Chapter 8](#) or [Chapters 9](#) and [10](#). For example, when the methodology is applied ex-ante before a policy is implemented, users can skip Chapters 9 and 10.

4.2 Planning the assessment

Users should review this methodology, the *Introduction to the ICAT Assessment Guides* and other relevant methodology documents, and plan the steps, responsibilities and resources needed to meet their objectives for the assessment. They should identify in advance the expertise and data needed for each step, plan the roles and responsibilities of different actors, and secure the budget and other resources needed. Any interdependencies between steps should be identified – for example, where outputs from one step feed into another – and timing should be planned accordingly.

The time and human resources required to use the methodology in its entirety depend on a variety of factors, such as the complexity of the policy being assessed, the range of transformational change characteristics and corresponding indicators included in the assessment, the extent of data collection needed and whether relevant data have already been collected, and whether similar analysis

relating to the policy has previously been done. An assessment template is provided for users on the ICAT website. The template indicates the type of data needed to arrive at assessment results, which is useful for planning the assessment.

4.2.1 Quantifying impacts of the policy

To assess the extent of transformation resulting from a policy, it is necessary to first understand the impacts of the policy on GHGs and sustainable development. To do so, users can apply other ICAT methodologies in combination with this methodology. To assess the GHG impacts of the policy, users can apply the GHG methodology that is relevant to the policy – that is, the *Renewable Energy Methodology*, *Buildings Efficiency Methodology*, *Transport Pricing Methodology*, *Agriculture Methodology* or *Forest Methodology*. To assess the sustainable development impacts of the policy, users can apply the *ICAT Sustainable Development Methodology*, which addresses many different types of impact across the environmental, social and economic dimensions, such as air quality, health, jobs, income, gender equality and energy security.

4.2.2 Planning stakeholder participation

Stakeholder participation is recommended at many steps throughout the methodology. It can strengthen the impact assessment and the impact of policies in many ways, including by:

- establishing a mechanism through which people who may be affected by, or can influence, a policy, have an opportunity to raise issues and have these issues considered before, during and after policy implementation
- raising awareness and enabling better understanding of complex issues for all parties involved, building their capacity to contribute effectively
- building trust, collaboration, shared ownership and support for policies among

stakeholder groups, leading to less conflict and easier implementation

- addressing stakeholder perceptions of risks and impacts, and helping to develop measures to reduce negative impacts and increase benefits for all stakeholder groups, including the most vulnerable
- increasing the credibility, accuracy and comprehensiveness of the assessment by drawing on diverse expert, local and traditional knowledge and practices – for example, to provide inputs on data sources, methods and assumptions
- increasing transparency, accountability, legitimacy and respect for stakeholders' rights
- enabling enhanced ambition and finance by strengthening the effectiveness of policies and credibility of reporting.

Various sections throughout this methodology explain where stakeholder participation is recommended – for example, in choosing which transformational change characteristics to assess ([Chapter 6](#)), identifying barriers to transformational change ([Chapter 6](#)), qualitatively assessing impacts ([Chapters 8 and 9](#)), monitoring performance over time ([Chapter 10](#)), reporting ([Chapter 11](#)), and decision-making and using results ([Chapter 12](#)).

Before beginning the assessment process, users should consider how stakeholder participation can support the objectives, and include relevant activities and associated resources in assessment plans. It may be helpful to combine stakeholder participation for transformational impact assessment with other participatory processes involving similar stakeholders for the same or related policies, such as those being conducted for the assessment of GHG and sustainable development impacts, and for technical review.

It is important to conform with national legal requirements and norms for stakeholder participation in public policies. Requirements of specific donors, and of international treaties, conventions and other instruments that the country is party to should also be met. These are likely to include requirements for disclosure, impact assessments and consultations. They may include specific requirements for certain stakeholder groups (e.g. United Nations Declaration of the Rights of Indigenous Peoples, International Labour Organization Convention 169) or specific types of

policies (e.g. United Nations Framework Convention on Climate Change guidance on safeguards for activities that reduce emissions from deforestation and degradation in developing countries).

During the planning phase, it is recommended that users identify stakeholder groups that may be affected by, or may influence, the policy. Appropriate approaches should be identified to engage with the identified stakeholder groups, including through their legitimate representatives. Effective stakeholder participation could be facilitated by establishing a multi-stakeholder working group or advisory body consisting of stakeholders and experts with relevant and diverse knowledge and experience. Such a group may provide advice and potentially contribute to decision-making; this will ensure that stakeholder interests are reflected in design, implementation and assessment of policies, including on stakeholder participation in the assessment of transformational impacts of a policy. It is also important to ensure that stakeholders have access to a grievance redress mechanism to protect their rights related to the impacts of the policy.

Refer to the ICAT *Stakeholder Participation Guide* for more information, such as how to plan effective stakeholder participation ([Chapter 4](#)), identify and analyse different stakeholder groups ([Chapter 5](#)), establish multi-stakeholder bodies ([Chapter 6](#)), provide information ([Chapter 7](#)), design and conduct consultations ([Chapter 8](#)), and establish grievance redress mechanisms ([Chapter 9](#)). [Appendix B](#) of this document summarizes the steps in this document where stakeholder participation is recommended and provides specific references to relevant information in the *Stakeholder Participation Guide*.

4.2.3 Planning technical review (if relevant)

Before beginning the assessment process, users should consider whether technical review of the assessment report will be pursued. The technical review process emphasizes learning and continual improvement, and can help users identify areas for improving future impact assessments. Technical review can also provide confidence that the impacts of policies have been estimated and reported according to ICAT key recommendations. Refer to the ICAT *Technical Review Guide* for more information on the technical review process.

4.3 Assessment principles

Assessment principles underpin and guide the impact assessment process, particularly where the methodology provides flexibility.

It is a *key recommendation* to base the assessment on the principles of relevance, completeness, consistency, transparency, accuracy and reflection on ambition, as follows:¹⁵

- **Relevance.** Ensure that the assessment serves the decision-making needs of users and stakeholders. Provide sufficient information to serve the intended purpose, and meet the expectations and objectives of users.
- **Completeness.** Assess all relevant and significant characteristics of transformational change relating to a policy, and complete each relevant step in the assessment.
- **Consistency.** Use consistent approaches and data-collection methods to allow meaningful results and performance tracking over time. Document and report any changes to data, assessment methods or any other relevant factor.
- **Transparency.** Provide clear and complete information for stakeholders to determine the credibility and reliability of results. Disclose all relevant methods, data sources, assumptions and uncertainties, as far as feasible.
- **Accuracy.** Ensure use of appropriate methods and data, and valid assumptions to ensure an unbiased assessment, enhance accuracy and reliability of the results, and engage stakeholders. It may be necessary to balance the need for accuracy with available resources and users' capacity, particularly considering the largely qualitative nature of transformational impact assessment. Where accurate data are not available, strive to improve accuracy over time as better data become available.
- **Reflection on ambition.** Be problem oriented, always have a clear rationale, and focus on how the policy contributes to transformational change at every step of the

assessment. Conduct iterative and reflexive monitoring, and adjust goals and strategies on an ongoing basis towards progression and ambition of policies to be more effective and efficient, and to scale up transformational impacts.

In addition to the principles above, users should follow the principle of comparability if it is relevant to their assessment objectives – for example, if the objective is to compare and prioritize multiple policies based on the extent of transformation they are expected to lead to:

- **Comparability.** Ensure that common methods, data sources, assumptions and reporting formats are used in assessments so that the estimated impacts of multiple policies can be compared. Whereas the principle of consistency refers to being consistent in the use of methods, data and other aspects of the assessment over time in assessing a given policy, comparability is about commonality in assumptions and methodologies between assessments of different policies.

The principle of comparability can be applied when a single entity will assess and compare multiple policies using the same methodology. If the objective is to compare assessment reports of policies carried out by different entities, it is important to exercise greater caution. Differences in reported results may be due to differences in methodology rather than real-world differences. Additional measures are necessary to enable valid comparisons in these situations, such as ensuring consistency in the assessment period, the characteristics and indicators assessed and monitored, the starting situation, calculation methods, data sources, and stakeholder engagement processes. To understand whether comparisons are valid, all methodologies, assumptions and data sources used should be transparently reported.

In practice, users may encounter trade-offs between principles when carrying out an assessment. For example, users may find that achieving the most complete assessment requires using less accurate data for a part of the assessment, which could compromise overall accuracy. Conversely, achieving the most accurate assessment may require excluding sources with low accuracy, which compromises completeness. Users should balance trade-offs between principles depending on their objectives. Over time, as the accuracy and completeness of data increase, the trade-off between these principles will likely diminish.

¹⁵ These principles build on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006) to ensure quality in all steps of the assessment.