UNDP Climate Action Impact Tool
Why Impact Assessment?

1. Tracking progress towards the SDGs and Agenda 2030:
   A starting point for data collection with the aim of aligning the efforts to national reporting requirements to the UNFCCC and to track progress made towards the SDGs and NDCs.

2. Unlocking private capital for the SDGs:
   - Provide information about bankable projects with high social and environment impact for private investors;
   - According to a PwC study, 87% of private businesses do not have the tools to monitor their impact on the SDGs. Providing investor access to verified information about social and environmental impacts of their investments, enables them to make informed decisions about which projects to support.
IMPACT TOOL: WHY WE MEASURE IMPACTS

- The tool allows **stakeholders to track the impact** of their projects/investments.

- It allows for **corrective action to be taken where necessary** to ensure projects maximize social and environmental impact.

- It allows for **MRV and data collection** with the aim of aligning the efforts to national reporting requirements and to **track progress made towards SDGs**.

- Optional: Use the tool to assess the progress on **NDC implementation through NDCs indicators** (country specific and will require an amendment of the tool).
The outputs of the tool can be broadly categorized into 3 categories:

1. **Descriptive elements** of the tool can be collated into a single **summary report** that provides an overview of the planned actions.

2. **Qualitative elements** of the tool provide a **graphic visualization** and allow investors to compare various impact categories of different projects.

3. **A quantitative assessment** that will directly feed into the MRV section of the tool and **track progress of the project** over time.
Impact Assessment Steps

1. **Define action** - action description and country context

2. **Apply UNDP’s Social & Environmental Safeguards** to ensure that the project doesn’t do any harm

3. **Report stakeholder feedback** (public/private/academia/NGOs)

4. **Assess the positive impacts** (poverty & inequality, gender parity, infrastructure, industry & innovation, environment and other social impacts such as food security/hunger/health/education)

5. **Analysis and results**: (i) action summary, (ii) results of social & environmental screening, (iii) visualization of qualitative impacts, (iv) MRV of quantitative impacts over time
Impact Assessment Steps – Define Actions

Includes:

1. Description
2. Type of action and status of project/programme
3. Sector
4. Start year/Final year and monitoring years
5. Country context:
   - location
   - embedded in the NDC
6. Finance:
   - require international finance
   - international finance grants/loans/private sector
   - national finance grants/loans/private sector
Social & Environmental screening includes the following categories:

1. Human Rights
2. Gender equality
3. Biodiversity conservation
4. Community Health & Safety
5. Cultural Heritage
6. Displacement and Resettlement
7. Indigenous peoples
8. Pollution prevention and resource efficiency

Risk assessment follows the 2 criteria on a 5-point scale: Impact & Probability

Significant impacts require a mitigation measure
Impact Assessment Steps – Stakeholder Engagement

Inclusive stakeholder engagement ensures full buy in, the tool asks for feedback from 5 different stakeholder categories:

1. Government
2. Affected population
3. Private sector
4. NGOs
5. Civil Society

(Optional: additional stakeholders)
Positive impact assessment follows 5 principles for decision making:

1. **Relevance**: Consider the decision-making needs of users and stakeholders, both internal and external to the reporting entity.

2. **Completeness**: Include all significant impacts in the assessment boundary.

3. **Consistency**: Use consistent accounting approaches (data collection and calculation).

4. **Transparency**: Provide clear and complete information for internal and external reviewers.

5. **Accuracy**: Ensure that the estimated impacts are systematically neither over nor under actual values as far as can be judged, and that uncertainties are reduced as far as practicable.
Positive impact assessment follows the following categories:

- Poverty and Inequality
- Gender Parity
- Infrastructure, Innovation, Industry
- Environmental Impacts
- Employment
- Other social impacts

The assessment is done in 3 steps:

1. Impact description
2. Qualitative impacts
   (according to the criteria likelihood on a 4 point scale and impact on a 3 point scale, including a justification)
3. Quantitative impact, including source of data
The last step of the assessment is the analysis and results. After completion of the previous steps the user will receive:

1. Action Summary
2. Results of the Social & Environment risk screening and mitigation measures
3. Outcomes of the positive impact assessment
4. Qualitative visualization (SDG circle with impacted SDGs in bold)
5. MRV table to track progress over time
Who can do this assessment?

Countries offices are encouraged to offer and independent **SDG impact assessment** to the private sector.

The assessment can be done following the below steps:

1. The **enterprise will fill-in all the information requested** in the online tool by creating a username and password.
2. A **UNDP staff member will verify the information** during an onsite visit.
3. A **CAIT impact assessment report will be created** (including a plan for future monitoring checks).
4. The **cost of the SDG impact assessment, including the mission will be recovered through a Cost Recovery Fee** from the enterprise or could be covered through a UNDP project.
Who can request this service and how to select the companies/projects?

**Beneficiaries:**
- Private companies
- Private and public projects
- NGOs

**Companies/projects selection criteria:**
1. Potential contribution to the SDGs
2. Potential contribution to emission reduction
1. The project company should be aware that the UNDP logo cannot be used on a CAIT impact assessment report without UNDP’s direct involvement in the verification of the results and not for any commercial purpose.

2. UNDP’s CAIT impact assessment report can be used internally and externally for resource mobilization.

3. The CAIT impact assessment report shall not be valid for more than 3 years.

4. The company shall ensure regular monitoring of the impacts. UNDP can offer additional MRV assessments and site visits against a Cost Recovery Fee.
Monitoring

Monitoring:

- Implemented by monitoring and evaluation staff or project specialist in the company
- This should be done annually during the report validity
- Onsite visits are required
UNDP’s partnership with TRINE showed investors are increasingly interested in measuring their impact against the SDGs.

**Key Results** - investors see from the UNDP’s Assessment
- **129% increase** in willingness to invest
- **42% increase** in investment on TRINE platform.
- **32% increase** in investment size.

Examples: Application of the Impact Assessment in Kenya
Application of the Impact Assessment in Kenya

SDG 13: Climate Action

1. Replacement of kerosene lamps through distribution of Solar Systems is a priority in Kenya's NDC
2. Mitigation potential of 1.8MTCO2e annually.
3. BBOXX systems found to contribute approx. 5% to this target through mitigation of 84,000TCO2e
Prolymer - Eco-Friendly Thermal Solutions Impact Overview – Costa Rica

11 SDGs significantly impacted:

TOP QUANTITATIVE SDG IMPACTS

• US$ 1,000,000 mobilized to implement programmes and policies for poverty reduction.
• US$ 80,000 invested in industrial activities.
• 30 new jobs created.

A video featuring UNDP’s CAIT impact assessment results can be seen here PROLYMER IMPACT ASSESSMENT.
https://climateimpact.undp.org/#!/
Promotion and Application

• Webinars/trainings and video explanations
• UNDP offers an independent third-party assessment to impact investment platforms
Please access the tool here: https://climateimpact.undp.org

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