Examples of Support for the Development and Implementation of NAMAs:

International Climate Initiative and NAMA Facility

Regional Workshop

“NAMA Readiness and Investment Training for Mitigation Activities in the Energy and Transport Sectors”
17-18 June 2014, Astana, Kazakhstan

Verena Bruer, GIZ
The concept of NAMAs: Background

“Nationally Appropriate Mitigation Actions (NAMAs) to be taken in the context of sustainable development and in a measurable, reportable and verifiable (MRV) manner”
(Bali Action Plan / UNFCCC 2007)

→ Voluntary climate protection measures taken by developing countries, embedded within their national development plans.

→ supported and enabled by financing, technology, and capacity building from developed countries.

→ potential to significantly contribute to global efforts to reduce greenhouse gas emissions

→ combine broad-based climate action with the achievement of sustainable development goals
The concept of NAMAs: Fundamental elements

Emerging consensus on some characteristics that serve to strengthen the transformational change potential of NAMAs:

• Country-driven and anchored in national development strategies and plans.
• NAMAs should strive to be sector-wide programmes that are national in scope, even if regional or municipal elements could form part of the overall design.
• **Combination of policy and finance:** Policies should serve to create an enabling environment and channel financial flows into low-carbon investments. Financial mechanisms should address potential barriers for investment and leverage potential public support for mitigation activities.
• The **Measurement, Reporting and Verification (MRV)** of these actions is important to generate transparency on their effectiveness and facilitate decision-making.

Source: Worldbank
NAMAs in practice

• Many developing countries are already developing NAMAs in the context of their national development strategies and plans (see: www.nama-database.org; UNFCCC NAMA registry: http://www4.unfccc.int/sites/nama/SitePages/Home.aspx)


• Support initiatives have focused mainly on the preparation of NAMAs and the creation of enabling environments for their implementation (“NAMA readiness”).
International Climate Initiative (IKI):
411 projects in over 80 partner countries (2008-2013)

Breakdown of project portfolio by theme (2008-2013)
(incl. multilateral contributions, in EUR million)

- climate policy*, 228 m €, 16%
- Green Climate Fund, 16 m €, 1%
- Adaptation Fund, 40 m €, 3%
- adaptation strategies, 75 m €, 5%
- ecosystem-based adaptation, 40 m €, 3%
- risk management, 19 m €, 1%
- REDD+, 202 m €, 14%
- other natural carbon sinks, 32 m €, 2%
- biological diversity, 191 m €, 13%
- NAMA Facility, 60 m €, 4%
- mitigation actions in other sectors, 63 m €, 5%
- renewable energy / energy efficiency, 251 m €, 17%
- innovative financing instruments, 73 m €, 5%
- DKTI, 164 m €, 11%

* incl. i.a. NAMAs, LEDS, MRV, dialogue platforms
Support for NAMA Development: The International Climate Initiative (IKI)

- Increasing number of climate policy projects, i.e. LEDS, NAMAs, MRV (make them ready for implementation and piloting), e.g.:
  - Transfer Project (developing Transport NAMAs in 4 countries)
  - Supporting Costa Rica’s Pathway towards Carbon Neutrality

- In other areas concentration on „seed money“ for innovative projects, e.g. on
  - renewable energy: Solar Power Plant Ouarzazate, Morocco
  - energy efficiency: Support of National Energy Efficiency Plan in Thailand
  - f-gas substitution
  - Innovative financing instruments
NAMA Development in IKI Projects

• Many NAMA proposals and concepts have been developed through and in IKI projects, with some of the best ones (finance-ready/bankable projects) being taken up by NAMA Facility for implementation.

• Support mainly through Technical Assistance (TA)/Capacity Development with different implementing agencies.

• Selection criteria:
  • **Sustainable Impact**: Economic efficiency of climate protection through capacity development, policy support, framework conditions
  • **Innovativity**: market launch of new technological, social, economic, or institutional approaches
  • **Up-scaling**: replicability of approach
  • **Ownership**: partnering with target country in early planning phases
  • **Coherence** with partner country’s strategy
Example: NAMA development in IKI project in Central Asia

<table>
<thead>
<tr>
<th>Title</th>
<th>Integrated Approaches to the Development of Climate Friendly Economies in Central Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Countries</td>
<td>Kazakhstan, Kyrgyzstan, Tadzhikistan, Uzbekistan</td>
</tr>
<tr>
<td>Implemented by</td>
<td>German Institute for Economic Research (DIW)</td>
</tr>
</tbody>
</table>

Goals/Activities:

- Develop comprehensive mitigation policy frameworks, assisting the countries to re-orient their economic development in a low carbon, climate friendly way
- Development of 1 NAMA per country („Program for Energy Efficient Modernisation of Coal Fired Small Boiler Houses in the Kyrgyz Republic”, “Energy Efficiency in Multi-storey Residential Buildings in Uzbekistan”, and “Carbon Sequestration through Afforestation and Reforestation in Tajikistan”) and support to the development, implementation, and monitoring of the Green Growth Strategy in Kazachstan;
- Policy advice, support the development of MAC curves, capacity development
- Strengthen regional cooperation and exchange of experiences
Example: Capacity development for climate policy in the Western Balkans, Central and Eastern Europe and Central Asia

<table>
<thead>
<tr>
<th>Duration</th>
<th>10/2013 – 02/2017</th>
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<tbody>
<tr>
<td>Target Countries</td>
<td>Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Montenegro, Russian Federation, Serbia, Turkmenistan, Ukraine, Uzbekistan</td>
</tr>
<tr>
<td>Implemented by</td>
<td>GIZ</td>
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Goals/Activities:

- support climate policy dialogue processes and advisory services in Eastern European and Central Asian countries, strengthening technical know-how, instruments and institutional arrangements related to CC mitigation and adaptation
- flexible and timely interventions in response to the requests of the partner countries
- Examples: Technical advice for developing a national ETS in Kazakhstan; foam NAMA in Azerbaijan; Capacity building series on “NAMA Development in South Caucasus Countries”
Capacity-building series: ‘NAMA Development in South Caucasus Countries’
9-10 July and 24-25 October 2013, Tbilisi – Georgia

• Organized by REC Caucasus (RECC) and Ministry of Environment Protection (MoEP) Georgia in the framework of the International Partnership on Mitigation and MRV

• Participants: policy makers and negotiators from Armenia, Azerbaijan and Georgia

• Format: 1 regional kick-off workshop, followed by 3 technical NAMA Trainings at national level and a regional follow-up meeting

• Objectives:
  • to identify potential and provide guidance for the development NAMAs and MRV systems in Armenia, Azerbaijan and Georgia
  • to share and exchange information on ongoing mitigation actions in the three South Caucasus countries and identify common challenges

See more: http://mitigationpartnership.net/partnership-activities-2013-0
Support for NAMA Implementation: The NAMA Facility

**Purpose:**
- Demonstrating a framework for providing tailor-made climate finance for developing countries in the field of mitigation.
- Building on existing support by funding the implementation of transformational NAMAs seeking international support, thus delivering concrete results on the ground.
- Raising ambition to close the global emissions gap and address the lack of NAMA climate finance.

**Facts:**
- Officially announced by Germany and the UK at COP-18 in Doha
- Germany and the UK jointly provided € 120m of funding
- First pilot programme is the Mexico Housing NAMA: EcoCasa programme
Means of Support

- Provides support for the implementation of parts of a NAMA = NAMA Support Project
- Uses full range of development cooperation instruments
- Builds on existing channels of delivery
Means of Support

Outcome of NAMA Support Project
e.g. GHG mitigation investments

Financial Cooperation (FC)
e.g.:
- Investment grants
- Concessional loans
- Guarantee funds
- Development of bankable project pipeline
- Advisory services (e.g. banking training, design of financial support mechanisms)

Outputs

Technical Cooperation (TC)
e.g.:
- Training and capacity building
- Pre-feasibility studies
- Development of bankable project pipeline
- Technical help desk
- Knowledge exchange
- Advisory services
- MRV development
Governance of the NAMA Facility

**NAMA Facility Board**
(representatives of BMUB & DECC, open to other potential donors)

Central decision making body of the NAMA Facility representing the donors

- Sets the policies and guidelines of the NAMA Facility
- Approves funding for the implementation of NAMA Support Projects

**Technical Support Unit**
Acts as the secretariat in support of the NAMA Facility Board and interacts with delivery organisation(s)

Implementation of:
- Procedures and processes
- Financial management
- Reporting to the donors
- M&E framework and plans

**NAMA Support Projects**
To be implemented by implementing partners and qualified delivery organisation(s) (TC/FC)

**Qualified Delivery Organisation(s)**
Assessed against transparent criteria (e.g. proven track-record and experience, adequate legal status...)

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Project Cycle of the NAMA Facility

**STEP 1 – Project Outline**

Call for **NAMA Support Project Outlines** by NAMA Facility

Submission of **NAMA Support Project Outlines**

Verification of General Eligibility Criteria & Evaluation against Ambition and Feasibility Criteria by TSU

Pre-selection of the most ambitious outlines by the NAMA Facility Board

**Appraisal mandate** for pre-approved NAMA Support Projects

**STEP 2 – Project Proposal**

In-depth appraisal & Submission of **NAMA Support Project Proposals**

Evaluation against Ambition and Feasibility Criteria by TSU

Final NAMA Support Project approval by the NAMA Facility Board

**Implementation mandate** for approved NAMA Support Projects

**STEP 3 – Project Implementation**

NAMA Support Project implementation

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**Abbreviations**

- **TSU**: Technical Support Unit
- **DO**: Delivery Organisation
- **FC**: financial cooperation
- **TC**: technical cooperation
Selection Criteria of the NAMA Facility

The selection of NAMA Support Projects is based on three sets of criteria:

<table>
<thead>
<tr>
<th>Eligibility criteria</th>
<th>Ambition Criteria</th>
<th>Feasibility/Readiness Criteria</th>
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<tbody>
<tr>
<td>• Qualified delivery organisation</td>
<td>• Potential for transformational change</td>
<td>• International and national embeddedness</td>
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<tr>
<td>• Endorsement by national government</td>
<td>• Mitigation ambition</td>
<td>• Project structure</td>
</tr>
<tr>
<td>• Endorsement by qualified delivery organisation</td>
<td>• Financial ambition</td>
<td>• Log-frame and M&amp;E</td>
</tr>
<tr>
<td>• Readiness for implementation</td>
<td>• Sustainable development co-benefits</td>
<td>• Project finance</td>
</tr>
<tr>
<td>• Time-frame for implementation</td>
<td></td>
<td></td>
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<tr>
<td>• ODA eligibility</td>
<td></td>
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<tr>
<td>• Adequate financing volume</td>
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Selection Criteria Checklist I: General Eligibility

1. Submitted in time by the national government or a qualified delivery organisation?
2. Endorsed by the national government or a qualified delivery organisation (depending on submitting agency)?
3. Ready for implementation?
4. Direct mobilisation of capital investments?
5. Starting point 3-5 months from now and 3-5 years project duration?
6. ODA eligible?
7. Feasible plan for phasing-out international support?
Selection Criteria Checklist II: Ambition

1. Contribution to a transformation of national or sectoral development towards a less carbon-intensive development path?

2. Provision of additional sustainable development co-benefits beyond the reduction of GHG emissions?

3. Mobilisation of a substantial funding contribution from other (public or private) sources?

4. Substantial direct and indirect GHG emission reductions?
Selection Criteria Checklist III: Feasibility

1. Embeddedness of national climate policy in national (development) strategies and/or (sub-) sector strategies, and relation to international agreements? Legal, technical and financial preconditions for project implementation in place?

2. Consistent and convincing project structure?

3. Consistent Monitoring and Evaluation (M&E) approach?

4. Feasible budget calculation? Financial contributions from other sources (national budget, private, other international donors) secured?
The First Call for NAMA Support Projects

- The NAMA Facility received lots of international attention.
- During the first call, a total of 47 NAMA Support Project (NSP) Outlines were received.
- The bids submitted had a wide geographical and sectoral coverage.
- The following NSP Outlines have been pre-selected for funding:
  - Chile - Self-Supply Renewable Energy NAMA (SSRE)
  - Colombia - Transport Oriented Development NAMA
  - Costa Rica - Low Carbon Coffee NAMA
  - Indonesia - Sustainable Urban Transport Program (SUTRI NAMA)
- Pre-selected projects are currently undergoing an in-depth appraisal
- The TSU provided feedback to all countries and delivery organisations, whose NAMA Support Project Outlines were not selected
Projects selected: Rationale for providing support

Mexican EcoCasa Programme (NAMA Facility’s Pilot Project):

- Early mover on NAMAs
- Sustainable Housing NAMA was well developed and ready to start its implementation
- Embedded into an ambitious national climate policy and high political commitment
- Wise combination of FC and TC as well as RE and EE measures
- Potential for transforming the building sector in Mexico

NAMAs pre-selected during the first call (Chile, Colombia, Costa Rica, Indonesia)

- Fulfilled the eligibility criteria (28/47 outlines did not)
- Performed high on ambition and feasibility
Projects selected: Rationale for providing support

Indonesian Sutri NAMA:

- Strong performance on ambition, particularly on demonstrating a very high transformative change potential and sustainable development co-benefits
- Strong embeddedness with national policy framework
- Combined with good feasibility, like project structure and logical framework

Colombian TOD NAMA:

- Very strong performance on ambition (24/25)
- Strong and convincing outline of the transformative aspects of the NAMA Support Project
- Strong embeddedness with national policy framework
- Combined with a good feasibility of the project
Lessons Learned from the First Call

• Availability of support has encouraged the development of a significant project pipeline across different sectors and regions
• Complex sectors like transport and agriculture, which were not well suited to being tackled by CDM/JI, are now effectively addressed through the concept of NAMAs
• Project outlines were generally rated higher on ambition than on feasibility criteria
• More emphasis on the elaboration of a solid project structure as well as to set up financial mechanisms to leverage additional public and private finance needed

➔ In preparation of the second call, the processes and documents were revised and updated based on the lessons learned
Second Call for NAMA Support Projects

• The € 70m from the initial replenishment has been fully committed
• BMUB and DECC have committed additional funds of € 50 million in 2014
• A second call started on April 7th and will be open until July 15th 2014
• Information on the second call is available at www.nama-facility.org or write to contact@nama-facility.org

Call for projects
April 7 – July 15th

Evaluation of NAMA Support Projects according to criteria

Communication of results
4th quarter 2014
Information required in the Template for NAMA Support Project (NSP) Outlines

1. Overall context of the NSP and extent to which it is embedded in an overarching NAMA/other national policies and strategies
2. Transformational character of the overarching NAMA
3. (Investment) barriers in the sector and how they are addressed by the NSP
4. Planned activities, outputs, outcomes and impacts
5. Financial mechanism(s)
6. Project (cooperation) structure
7. Detailed budget for the in-depth appraisal of the NSP
8. Estimated budget for the implementation of the NSP
Thank you for your attention!

For further information please go to www.nama-facility.org

or contact the Technical Support Unit at contact@nama-facility.org