

## Why develop a NAMA concept now?

### Status Quo of the international NAMA development process

Timon Wehnert

#### **History**

In 2007 the concept of Nationally Appropriate Mitigation Actions (NAMAs) has been established in the climate negotiations of Bali. The key message was: We can only win against climate change if emissions of greenhouse gases are reduced dramatically in all countries – developed and developing. In 2010 in Copenhagen, the industrialised countries agreed to support climate actions (both mitigation and adaptation) in developing countries with 100 billion US\$ per year by 2020. Despite a lot of unclarity about this promise (e.g. how much of this is public and how much is private finance?), the message is clear: industrialised countries will substantially support NAMAs in developing countries.

#### **Status of NAMA financing options**

Currently only one fund for *NAMA implementation* is up and running: the NAMA facility of UK and Germany<sup>1</sup>. It explicitly aims at supporting “the implementation of ambitious country-led NAMAs“. Its current volume is limited to 70 m€. However, it can be anticipated that within the next 2 to 3 years a series of other funds will explicitly aim at supporting NAMA implementation. One prominent fund is the UNFCCC Green Climate Fund<sup>2</sup>, but also many other bilateral and multilateral institutions (e.g. development banks) could launch explicit support programs for NAMA implementation.

*Against this background it seems very favourable to develop NAMA proposals as soon as possible in order to have them “in your pocket” as soon as NAMA implementation funding becomes available.*

A major debate in climate finance is that the opportunities for purely public funding have decreased (a process strongly accelerated by the economic crisis). Thus, public interventions should aim at triggering private investments into low-carbon technologies and infrastructure. This can be done either by regulations (e.g. introducing a building standard for energy efficient building) or by financial assistance (e.g. reducing the risk for private investors by loans or guaranties etc.). Consequently, NAMA concepts which leverage private investment into low-carbon, will have a better chance to acquire international support.

<sup>1</sup> <http://www.international-climate-initiative.com/en/issues/nama-facility/>

<sup>2</sup> Both volume and funding objectives have not yet been defined. It can be anticipated that the fund will become operational soonest in 2014, most likely later. See also: <http://gcfund.net/home.html>

*Thus it seems favourable to not only aim at innovative technological solutions but also to develop a policy and financing frame, which explores approaches to leverage private capital.*

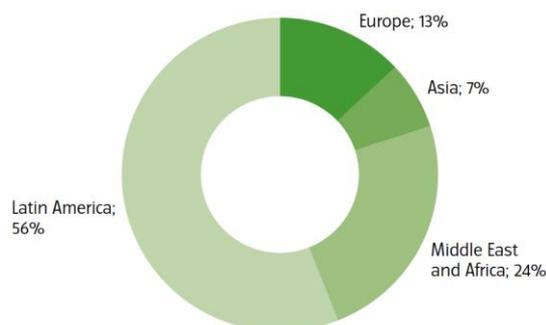
### **The NAMA registry – officially announced NAMAs**

When assessing the status quo of NAMA development one has to distinguish between the official UNFCCC level and national actions in developing countries. The UNFCCC Secretariat has launched a NAMA registry to which countries can submit their NAMAs – both actions which are already being implemented and those for which support is currently sought for. Currently (Status 09.08.2013)<sup>3</sup> the registry contains:

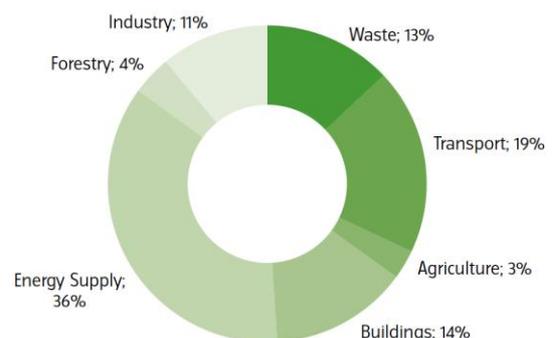
- 6 NAMA seeking support for preparation  
(3 Mali, 1 Ethiopia, 3 Uruguay)
- 20 NAMAs seeking support for implementation  
(2 Chile, 1 Uruguay, 1 Cook Island, 1 Indonesia, 1 Dominican Republic, 1 Commonwealth of Dominica, 11 Serbia)
- 4 NAMA submitted for recognition  
(1 Chile, 2 Uruguay, 1 Serbia)

### **The NAMA database – national actions**

In addition there are many actions or plans for future mitigation actions in many developing countries, which are not officially label NAMAs. The NAMA database<sup>4</sup> collects also those activities and provides online information. Currently “there are 67 NAMAs and 34 feasibility studies in 34 countries to explore”.



**Figure 1: Regional Development of NAMAs**  
(source NAMA database, Ecofys, ECN)



**Figure 2: NAMA development by Sector**  
(source NAMA database, Ecofys, ECN)

<sup>3</sup> [https://unfccc.int/cooperation\\_support/nama/items/7476.php](https://unfccc.int/cooperation_support/nama/items/7476.php)

<sup>4</sup> <http://nama-database.org>

The NAMA status report (update May 2013)<sup>5</sup> lists current activities in NAMA development processes. Looking at the regional distribution, it is very striking that the majority of NAMA development processes currently take place in Latin America, while only 7% of all NAMAs are developed in Asia (see Figure 1).

Assessing the kind of activities, which are addressed in current NAMA plans, it shows that a large number of NAMAs aim at energy supply issues, while only a small number of NAMAs address energy efficiency in industry or the building sector (see Figure 2).

### ***Conclusions for NAMA development in Thailand***

The concept of NAMAs is very broad – largely on purpose to allow developing countries to define mitigation actions, which they themselves consider “nationally appropriate”. Thus NAMAs are an opportunity for Thailand to push its own agenda – as long as it simultaneously attempts to reduce greenhouse gas emissions.

If one assumes that the dynamic of the international climate negotiation continues, it is very likely that major funding options will become available in future years, which will help to support NAMAs in developing countries. E.g. when the Green Climate Fund becomes operational, it will have a need to quickly find “good” NAMA proposals for co-funding. Looking at the distribution of current NAMA development processes in the world – we find Asia to be underrepresented and few NAMAs on energy efficiency only – it seems that Thailand could be well positioned to acquire support for energy efficiency policies and actions. Exploring innovative finance concepts, which aim at leveraging private capital could stand a high chance of attracting international support.

#### **Contact:**

**Timon Wehnert**

**Wuppertal Institute for Climate, Environment and Energy**

**Berlin Office**

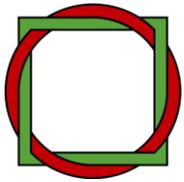
**Neue Promenade 6**

**10178 Berlin, Germany**

**E-mail: [timon.wehnert@wupperinst.org](mailto:timon.wehnert@wupperinst.org)**

**Tel. + 49 (0)30 / 2887 458 - 19**

<sup>5</sup> [http://nama-database.org/images/5/5c/Mitigation\\_Momentum\\_Status\\_Report\\_JUNI2013.pdf](http://nama-database.org/images/5/5c/Mitigation_Momentum_Status_Report_JUNI2013.pdf)



**Wuppertal Institute**  
for Climate, Environment  
and Energy

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# International experiences of NAMA development: challenges and opportunities



Presentation at the  
TGP-EEDP Workshop  
Bangkok  
26.08.2013

**Timon Wehnert,**  
Research Group  
Energy, Transport and Climate Policy  
Berlin Office

- 1. What is a NAMA  
and why should Thailand go for it?**
- 2. International Examples**
- 3. Options for international support**
- 4. MRV of NAMAs**
- 5. Institutions and NAMA development process**

# The Wuppertal Institute

- **Founded 1991**
- **Think tank dedicated to applied research and sustainability**
- **90 scientist from all disciplines**



**Transition Research:  
from problem assessment  
to real world experiments**



# What is a NAMA?

**Any action:**

- **which reduces CO<sub>2</sub> emissions**
- **and which the government of Thailand chooses to call a NAMA**

**is a NAMA!**

More interesting question:

**What is your benefit if you call an action a NAMA?**

- ➔ **International recognition**
- ➔ **New options for funding and international support**

# What is a good NAMA?

## Who develops a framework for NAMAs?



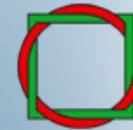
United Nations  
Framework Convention on  
Climate Change



UNFCCC negotiations	Host countries	Funders
? very little	!!! key driver	!! strong influence

 **GCF ?**

**Rules for NAMAs are being developed bottom-up**  
from best-practise examples of early movers –  
in collaboration / negotiation with donors & implementing agencies



# Status Quo of NAMAs

## Two approaches:

- **Official NAMAs – in UNFCCC Registry:**

[https://unfccc.int/cooperation\\_support/nama/items/7476.php](https://unfccc.int/cooperation_support/nama/items/7476.php)

- **26 NAMAs seeking support** for preparation or implementation
- **4 NAMA submitted for recognition**

- **NAMA – database:**

<http://www.nama-database.org/>

Activities which could be / become NAMAs,  
but are not necessarily called NAMAs yet

- **67 NAMAs and 34 feasibility studies in 34 countries**



United Nations  
Framework Convention on  
Climate Change



NAMA Status Report:

[http://nama-database.org/images/5/5c/Mitigation\\_Momentum\\_Status\\_Report\\_JUNI2013.pdf](http://nama-database.org/images/5/5c/Mitigation_Momentum_Status_Report_JUNI2013.pdf)

[Page](#) [Discussion](#)

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Thailand



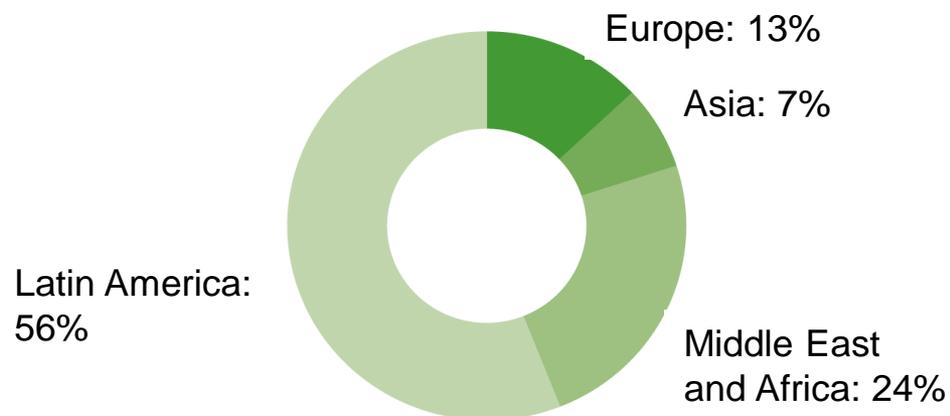
There are no NAMAs, only feasibility studies

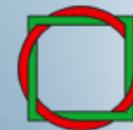
### Explore

There are 67 NAMAs and 34 feasibility studies in 34 countries to explore.



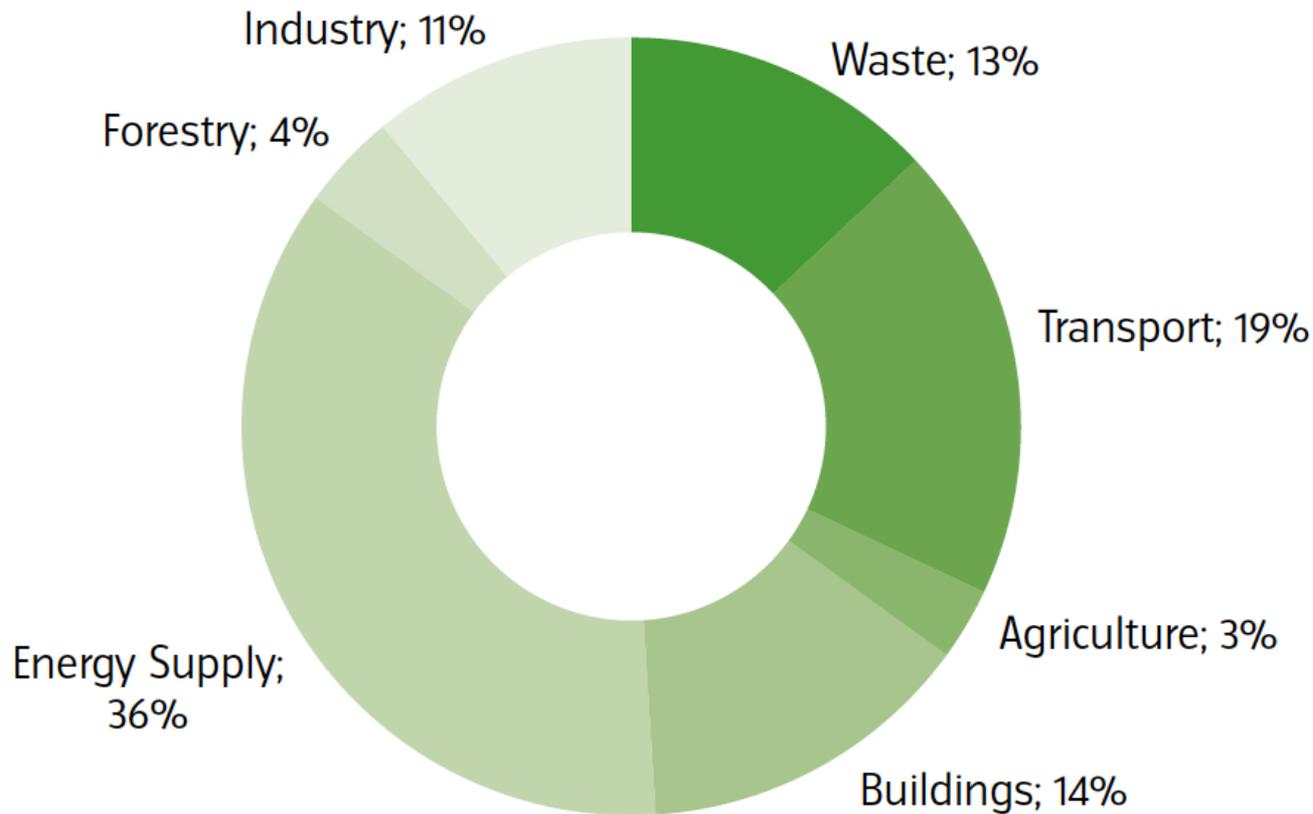
## Regional Development of NAMAs:





# NAMAs by Sector

## NAMA Development Processes: (Status August 2013)



Source: <http://nama-database.org/>  
Status August 2013

## Energy Efficiency in Buildings

Country	Activity (selection)
Mexico	<ul style="list-style-type: none"><li>• Supplement on-going initiatives: Financial support for low-income energy efficient housing</li><li>• Replacement program for refrigerators</li></ul>
Costa Rica	<ul style="list-style-type: none"><li>• Building codes and regulations</li><li>• Financial support schemes &amp; promoting green competence in commercial banks</li><li>• pilot project: 1000 affordable, sustainable houses</li></ul>
Serbia	<ul style="list-style-type: none"><li>• Heat meters for district heating</li></ul>

# Examples of Energy Efficiency NAMAs

## Energy Efficiency Lighting

Country	Activity (selection)
Pakistan	<ul style="list-style-type: none"><li>• Develop National Energy Efficient Lighting Strategy with Minimum Energy Performance Standards</li><li>• revolving loan fund</li><li>• public awareness campaign</li></ul>

# Examples of Energy Efficiency NAMAs

## Energy Efficiency in Industry

Country	Activity (selection)
Mexico	<ul style="list-style-type: none"><li>• Chemical industry</li><li>• Mining sector</li><li>• Cement sector</li></ul>
Vietnam	<ul style="list-style-type: none"><li>• Cement sector</li></ul>
Chile	Feasibility studies on EE of motors in industry, cement industry, copper industry

### NAMA development in early stage

**Very little information is publically available on planned activities**



# Reflections for Thailand

## Some conclusions from international examples

- A broad range of efficiency actions qualifies as NAMAs  
→ You can freely choose

**Question:**

**For which actions would Thailand need international support?**

- Few Asian countries active so far  
Few proposals on energy efficiency have been elaborated  
→ But the door for another “early mover” closes quickly



# International Support for NAMAs



# International Support

## Who could potentially support a NAMA?

- **NAMA Facility (UK & Germany)**  
1<sup>st</sup> call out now (deadline 2<sup>nd</sup> September 2013)  
total budget 70 m€
- **Green Climate Fund (GCF) Multilateral UNFCCC Fund**  
Disbursement not before 2014  
Procedures and volume currently unclear  
but potentially a key funding source for NAMAs
- **Various bi- and multilateral Funds**  
Often not labelled as “NAMA” funding, but climate mitigation etc.

### Links:

<http://www.climatefinanceoptions.org/cfo/index.php>

<http://www.international-climate-initiative.com/en/issues/nama-facility/>

# Climate Finance Overview

<http://www.climatefinanceoptions.org>

- Extensive information on climate finance options
- Easy to access database
- Provides fund information and contact details (example right)

## Funding Sources

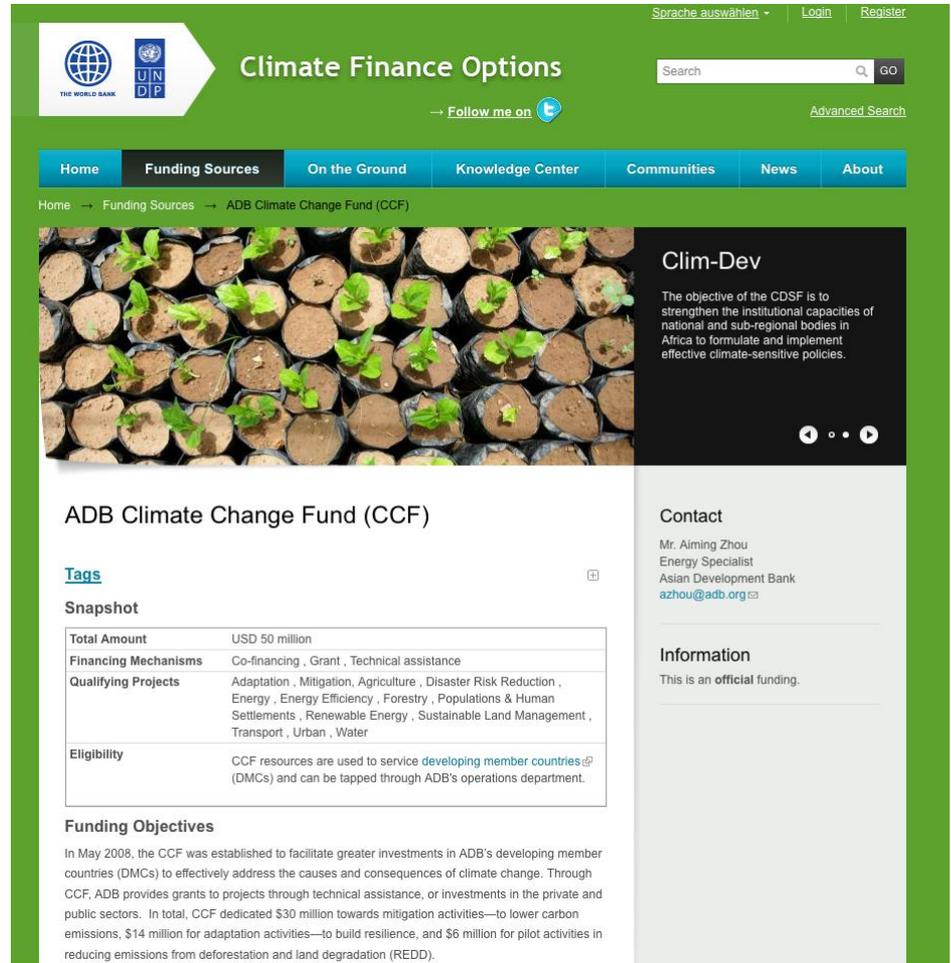
Find funds that are available for both adaptation and mitigation projects that reduce impacts of climate change. See whether your project is eligible, what the governance structure for these funds is, and how to access them.

By Financing Mechanism:   By Sector:   By Funding Source:

## Funding Sources by Focus Area



Adaptation
Capacity Building
Mitigation
Technology
Any



The screenshot shows the website interface for the ADB Climate Change Fund (CCF). At the top, there are logos for The World Bank and UNDP, and the title "Climate Finance Options". A search bar and navigation menu are also visible. The main content area features a large image of seedlings in pots, with a "Clim-Dev" section describing the CDSF's objective. Below this is a "Snapshot" table with details on the fund's amount, mechanisms, and eligibility. A "Contact" section lists Mr. Aiming Zhou as the Energy Specialist. The "Funding Objectives" section provides a detailed overview of the fund's establishment and goals.

### ADB Climate Change Fund (CCF)

**Tags**

**Snapshot**

Total Amount	USD 50 million
Financing Mechanisms	Co-financing , Grant , Technical assistance
Qualifying Projects	Adaptation , Mitigation , Agriculture , Disaster Risk Reduction , Energy , Energy Efficiency , Forestry , Populations & Human Settlements , Renewable Energy , Sustainable Land Management , Transport , Urban , Water
Eligibility	CCF resources are used to service <a href="#">developing member countries</a> (DMCs) and can be tapped through ADB's operations department.

**Funding Objectives**

In May 2008, the CCF was established to facilitate greater investments in ADB's developing member countries (DMCs) to effectively address the causes and consequences of climate change. Through CCF, ADB provides grants to projects through technical assistance, or investments in the private and public sectors. In total, CCF dedicated \$30 million towards mitigation activities—to lower carbon emissions, \$14 million for adaptation activities—to build resilience, and \$6 million for pilot activities in reducing emissions from deforestation and land degradation (REDD).

**Contact**

Mr. Aiming Zhou  
Energy Specialist  
Asian Development Bank  
[azhou@adb.org](mailto:azhou@adb.org)

**Information**

This is an official funding.

# Strategies to Access International Support



## 1) Early mover advantage

As soon as major explicit NAMA funds will be established – they may face difficulties in finding good projects

→ **develop NAMA proposal now**

## 2) Innovative concept

- **Aim at “transformation”** e.g. of a whole sector  
go beyond small scale projects of CDM-type  
policy packages could make good NAMAs
- **Address “forgotten” sectors**  
Energy efficiency and transport were weak in CDM
- **Explore innovative funding concepts**  
e.g. “result based finance”



# MRV of NAMAs

# MRV of NAMAs

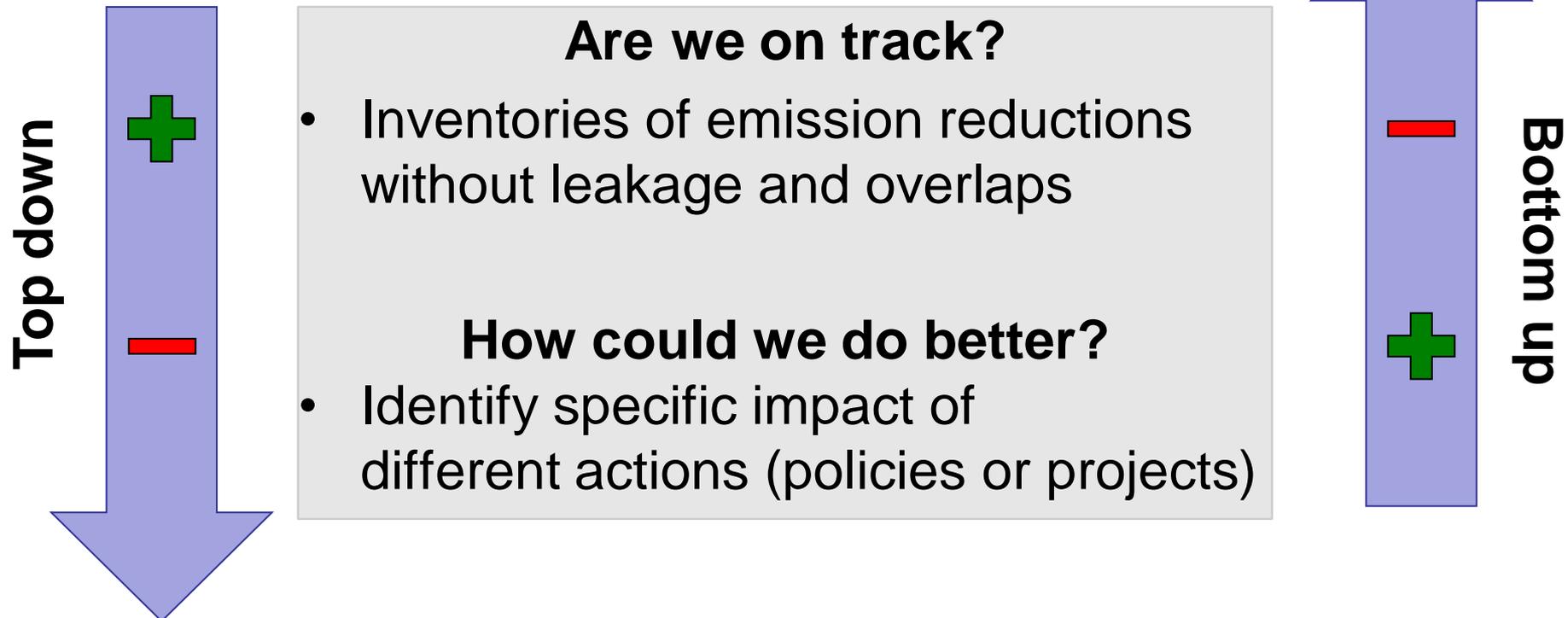
## Three key messages on MRV:

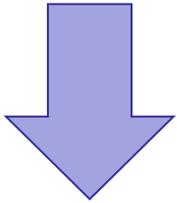
- **There is hardly any formal UNFCCC MRV requirement (in contrast to CDM)**
- **MRV will be important for internationally supported NAMAs**  
MRV requirements will have to be negotiated with potential donor
- **Good national M&E could be sufficient**  
A system, which ensures good monitoring and evaluation (M&E) for national Thai governance needs will most likely be sufficient for international MRV



# Two key questions to MRV

**Two approaches**  
to answer the two questions:



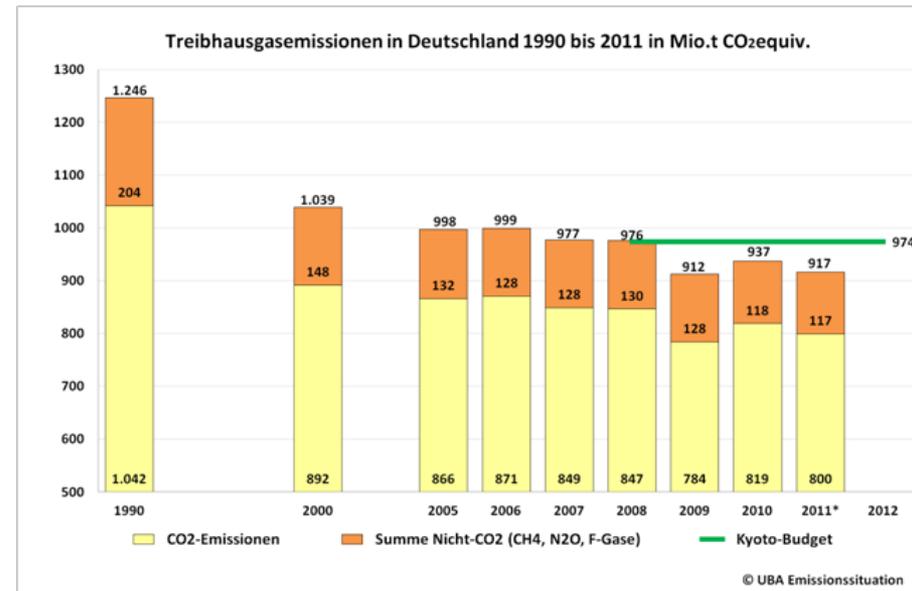


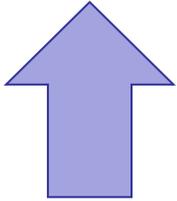
Key question: **Are we on track?**

Approach: top down

Monitor GHG emissions of sector / national level

- Impact of all factors included (PAMs, GDP, population growth, weather,...)
- Overlaps and leakage avoided





Key question:

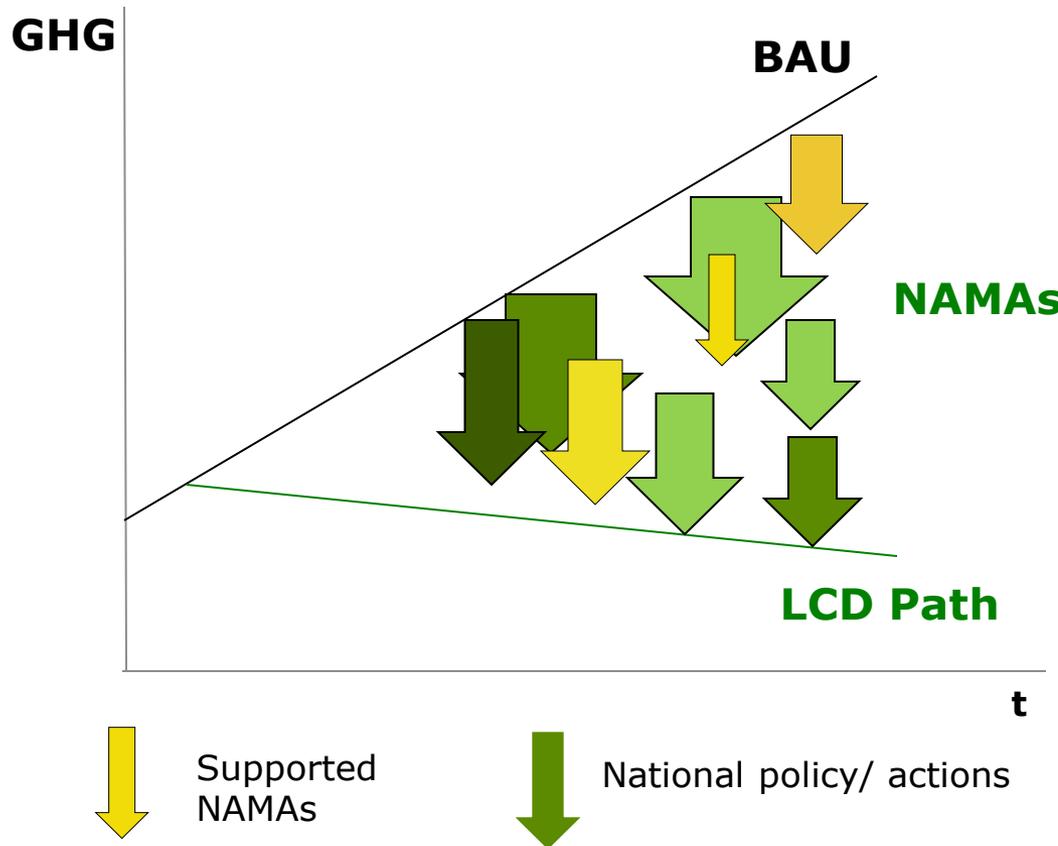
**What is the impact of one individual action?**

Approach: bottom up

Impact assessment should cover:

- **progress indicators:** e.g. policy implementation, infrastructure build, use of infrastructure
- **estimates of GHG emission reductions**, but
  - overlaps to other measures difficult to assess
  - some actions difficult to quantify (e.g. capacity building)
- **costs**
- **contribution to sustainable development** (poverty eradication, economic development, local pollutants etc.)

# Comparison Inventory vs. Bottom-up Assessment



Graph by: Frauke Röser, Ecofys

## NAMAs:

- Projects & policies aim at transformation
- Hardly any UNFCCC MRV rules

## Emission reductions

- Impact of individual NAMAs cannot simply be “added-up”
- Overlaps exist



# MRV of NAMAs - Summary

## Monitoring NAMAs serves many purposes

- Optimising strategy and actions
- Reporting to government, public or international donor
- Reporting to UNFCCC

but MRV of NAMAs is independent of GHG inventory

## MRV rules for supported NAMAs

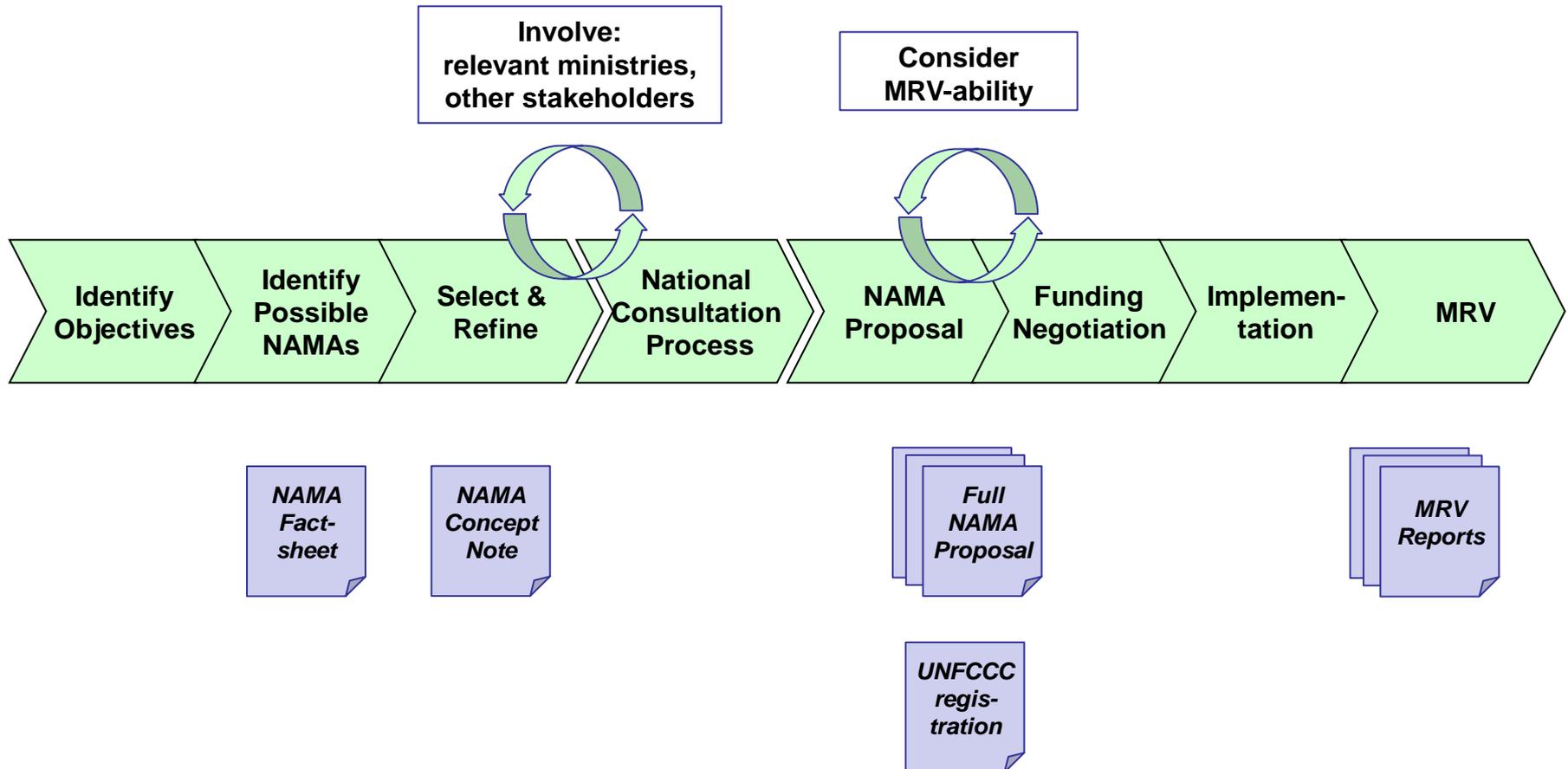
- much less strict than CDM
- will strongly depend on donor requirements  
“results-based finance”
- may include a range of progress indicators
- GHG estimate is beneficial, but not always possible



# Development of NAMAs

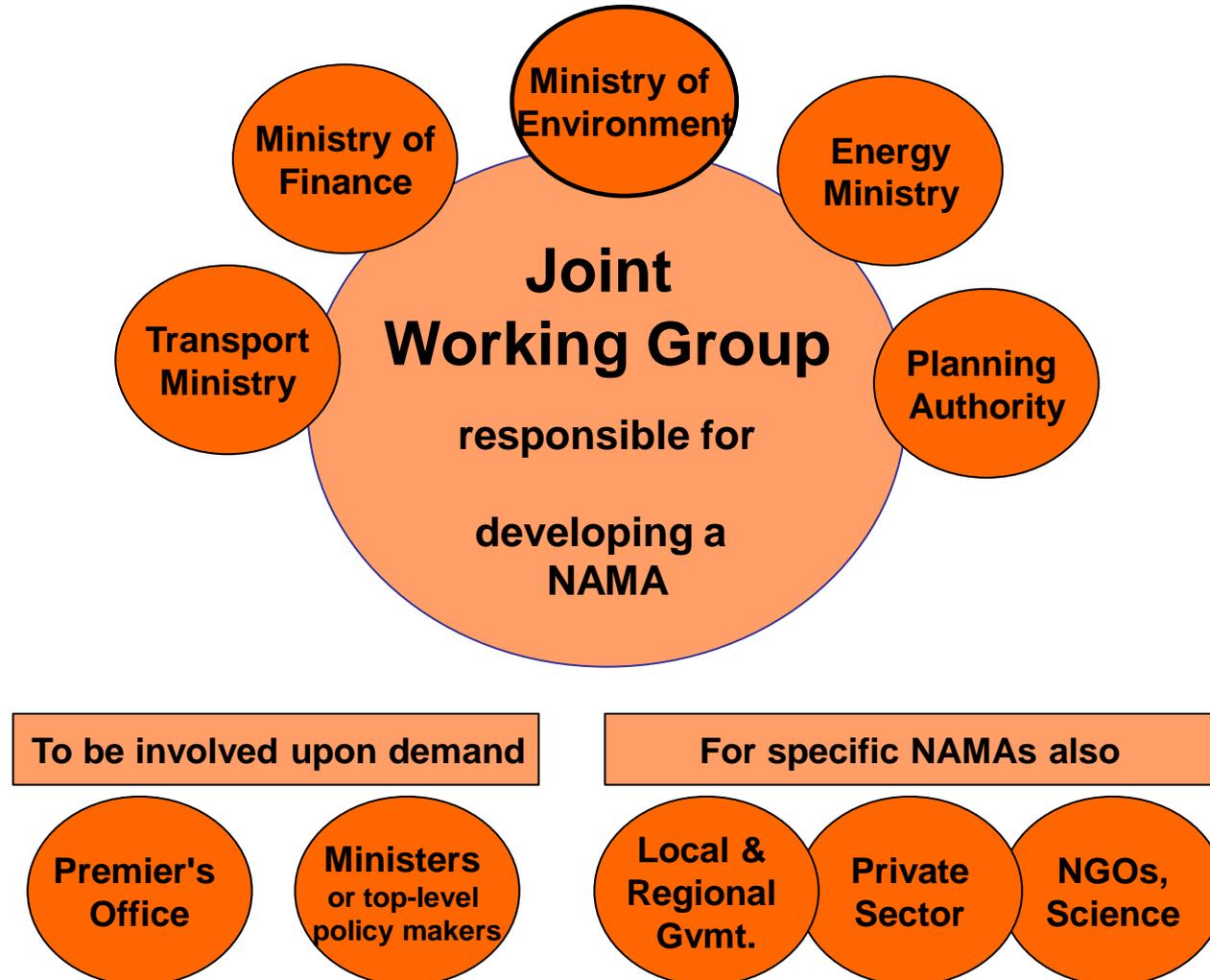
## Institutions and Processes

# Simplified NAMA development process



See also: Handbook 'Navigating Transport NAMAs'  
<http://www.transferproject.org/index.php/hb>

# Cooperation is key in the NAMA development process



See also: Handbook 'Navigating Transport NAMAs'  
<http://www.transferproject.org/index.php/hb>



# Conclusion

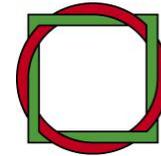
**There will be international funding for NAMAs in the future!**

**→ Where would Thailand need support?**

- Massive up-scaling of existing approaches?
- New innovative approaches?

**Promoting energy efficiency could be attractive to funders**

**Proving “results” to donors is important,  
but MRV rules can be negotiated**



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**Thank you very much for your attention !**



**Contact:**

**Timon Wehnert**  
**Wuppertal Institute for Climate,  
Environment and Energy**

**Berlin Office**  
**Mercator Centre Berlin / Neue Promenade 6**  
**10178 Berlin, Germany**  
**Tel. + 49 (0)30 / 2809 – 5489**  
**e-mail: [timon.wehnert@wupperinst.org](mailto:timon.wehnert@wupperinst.org)**