NAMA Design and NAMA Documentation

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Maputo 22.09.2015
Outline

• NAMA Design
  • Context and Barriers
  • Designing and Action Plan
  • Develop a financing plan
  • International Support
  • Developing an MRV approach for the NAMA

• NAMA Documentation
  • Why NAMA Documentation?
  • What needs to be in a NAMA Document?
  • Templates
  • Donor Requirements
  • Cycle perspective
NAMA design

Concept paper is translated into a NAMA document, including:

• Legal frameworks
• Governmental approvals
• Eventual technical support and capacity building components

Specific steps in the design phase include:

• Calculation of the GHG emissions reduction potential (projections of BAU emission levels)
• Formalising MRV mechanisms (GHG and sustainable development)
• Engaging financial and other relevant stakeholders
• Defining the responsibilities of the actors involved
• Establishment of institutional and legal frameworks for the NAMA
• Collection of all necessary documentation
Context and barriers

• The NAMA design steps and plans will mostly depend on the planned activities in the prioritised NAMA concept.

• The concept behind the NAMA is analysed against the political, economic, social and technical realities of the country. This will allow assessing the country's readiness for NAMA implementation.

• The assessment can be performed by carrying out a barrier analysis of the implementation of the envisioned actions.

• The barrier analysis should at least consist of an analysis of the relevant institutional and legal framework, need for financial and technical support and need for capacity building.
Different approaches

**BOX 7: INSIGHTS ON PROCESSES FOR NAMA DEVELOPMENT**

As part of the UNDP LECB programme in 2011, a number of countries launched NAMA development processes. When asked about their experiences, participating countries responded by mentioning various approaches and emphasising some of their different parts.

**Tanzania** divides NAMA development into the proposal, concept, planning, implementation, operation and evaluation phases. **Chile** conducts consultations with various public and private institutions, followed by an analysis of NAMA feasibility and a pilot phase for testing the MRV system, culling lessons learned and developing best practices. Support from national or international consultants may be required. **Colombia** has engaged in a research phase, followed by an evaluation phase focusing on MRV and co-benefits. A third phase will involve designing concrete implementation plans.

**Costa Rica** and **Mexico** mentioned some of the various components that may be involved in the NAMA development process, such as launching or upgrading GHG inventories, identifying feasible mitigation actions, analysing a LEDS and determining how a NAMA might fit into and augment it, designing a MRV system and engaging stakeholders.

Lütken et. al.: *Guidance for NAMA Design – Building on Country Experiences*, UNEP DTU Partnership
Sharma & Desgain, 2014: *Understanding NAMA Cycle*, UNEP DTU Partnership
An action plan should define:

- Key activities to be implemented to achieve the objectives of the NAMA
- The actors responsible for implementing the activities

The entity appointed to design and formulate the NAMA should consider establishing a working group to seek information and ideas in designing the action plan, including:

- Policy-makers
- Technical and financial experts / institutions
- Relevant private-sector representatives
- Other key stakeholders relevant for the NAMA

The Action plan should go through a wide and structured stakeholder consultation process for validation, including:

- Relevant research organizations
- Technical institutes and experts
- Civil-society organizations
- Business associations, etc.

Stakeholders negatively impacted by the NAMA should also be included in the consultation
Designing an Action Plan
MRV

International requirement for MRV through the BURs and national communications:

• Report national GHG inventories and mitigation actions:
  – Effects
  – Support received

National institutional set up for MRV:

• Focal point for MRV to the UNFCCC
• MRV structure for the specific NAMAs
  – Sectoral
  – Ministry
  – Local
  – Stakeholders throughout the value chain
Designing an Action Plan

Barriers

The implementation of the actual actions might meet a number of barriers. These barriers can range from:

– Institutional and organizational lack of capacity
– Lack of political commitment or prioritisation for mitigation actions
– Inadequate regulatory framework for the implementation of a given action
– Financial constraints
– Technological barriers, like lack of local know-how and expertise
– The need for capacity building or capacity strengthening

It is important to identify the Specific Barriers for a NAMA through a barrier analysis and formulate measures to remove these barriers in order to facilitate a successful implementation of the NAMA.

Indeed, the actions identified to overcome the barriers ARE in fact the heart of the NAMA.
Develop a financing plan to implement the NAMA

Finance sources needed should be identified and included in the Action Plan:

• National and international sources
• Private-sector investments
• Financing institutions, etc.

Important to involve financing experts to draw up estimates of the financial resources required and the financial structuring of the NAMA.

Key entities to include in this process:

• The finance department of the relevant ministries
• The ministry responsible for development planning
• The government entity responsible for international cooperation
• The ministry of finance
• The banking and financial sector
• Eventually International support providers

The financial viability and sustainability of the actions is pivotal for the NAMA’s success
I think that the "of" should be erased.
David JJ Ryfisch, 11-09-2015
International support providers usually require that the NAMA implementing entity also sometimes called delivery organizations must be accredited.

The accreditation requires that the implementing entity fulfils the requisite fiduciary standards to ensure financial accountability, and it may include other criteria as well. In general in internationally funded projects, the UN Agencies (UNDP, UNEP, UNIDO, etc.) or other international or regional organizations are the implementing entities. This would also be the case for internationally supported NAMAs.

Some international donors and funds (for example, the GCF) have initiated a process to enable direct access by countries, in which case national entities could be accredited as the implementing entity.
Developing an MRV approach for the NAMA

• Once the action plan and financing plan have been developed, the NAMA developer should have available all the necessary information needed to design a measurement plan (probably involving other key stakeholders).

• If the country had already established a domestic MRV system the NAMA should keep in mind to design its MRV system so it can accommodate the national MRV system's requirements.

• If a domestic MRV system has not been established the NAMA's MRV system should be based on "good practice". Also, you can always look towards the CDM.
NAMA Documentation
Why NAMA Documentation?

• Enables the NAMA developer to provide a well-structured vision of all the key aspects of the proposed NAMA in a logical and coherent manner

• Provides sufficient information for the NAMA financiers (whether domestic or international) to determine the relevance and modality of their engagement, and enable them to assess benefits and risks

• Facilitates understanding of the host government and the relevant authorities (national and/or local), of the actions, costs and benefits associated with the proposed NAMA and how it aligns with or alters current policies, regulations, and development goals
What needs to be in a NAMA document

- Description of the actions
- BAU scenarios
- GHG reduction
- Sustainable development co-benefits
- MRV (of what?)
- Other (e.g. transformational change)?
Templates

- NAMA Registry, UNFCCC
- ADMIRE Template, UNEP DTU Partnership
- NAMA Facility
- Ecofys
- CCAP
- GCF
- GEF
- etc.
• Even though NAMAs mainly are developed and implemented within national policy development frameworks, they will in many cases involve other non-national parties, in particular potential financing partners or development agencies.

• Such external parties will have their own requirements for information to determine their interest in involving themselves in the NAMA development and/or implementation. There are no standards in this regard.
Remember - it is a cycle

- The documentation will naturally be less comprehensive in the concept phase and increase in detail through the NAMA development, implementation and operation phases.

- The documentation in the concept phase may e.g. focus on attracting donor funding (grants) for NAMA preparation, while the documentation in the design and implementation phase might be more focused on attracting finance (private investments).

- Moving from concept to implementation, NAMAs require clearly outlined steps and detailed plans. Comprehensive documentation facilitates the implementation of a NAMA, by ensuring stakeholders that the NAMA is well planned and all relevant considerations have been made.

- It will also make the NAMA more attractive for investors, facilitating the tasks of financing NAMAs seeking support for implementation.

- Even though data and information is lacking at the beginning, information is created as the NAMA develops, why even though it can represent a major barrier, lack of information should not refrain the exploration of good ideas.
Obrigado