

# Potential Criteria for Supported NAMAs

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# Outline of Presentation

- 1. Support for NAMA Implementation**
- 2. Advancing a Shared Vision**
- 3. Straw Proposal of Criteria**
- 4. Key Takeaways**
- 5. Discussion**



# Support for NAMA Implementation

## Developing Countries

- Rapidly developing NAMAs
- Some beginning to seek international support for *implementation*

## Contributing Countries

- Fast-start financing has mostly supported capacity-building/planning efforts
- Now increasing support for implementation

The Green Climate Fund (GCF) is likely still several years away from disbursing funds for NAMA implementation

**NAMA support in the next few years will likely come directly from bilateral funding sources (or through multilateral development banks)  
→ leverage private-sector investment**

# Support for NAMA Implementation (cont'd)

## Developing Countries

- At stage of determining how to best structure NAMAs to be eligible and attractive for bilateral funding



## Contributing Countries

- At stage of determining how to prioritize limited funding among NAMAs seeking support



Opportunity to shape the direction of NAMA criteria through bilateral and multilateral programs in 2012-2013 in advance of GCF implementation

# Advancing a Shared Vision: Components of Effective and Financeable NAMAs

## Developing Country Priorities

Efforts consistent with national priorities

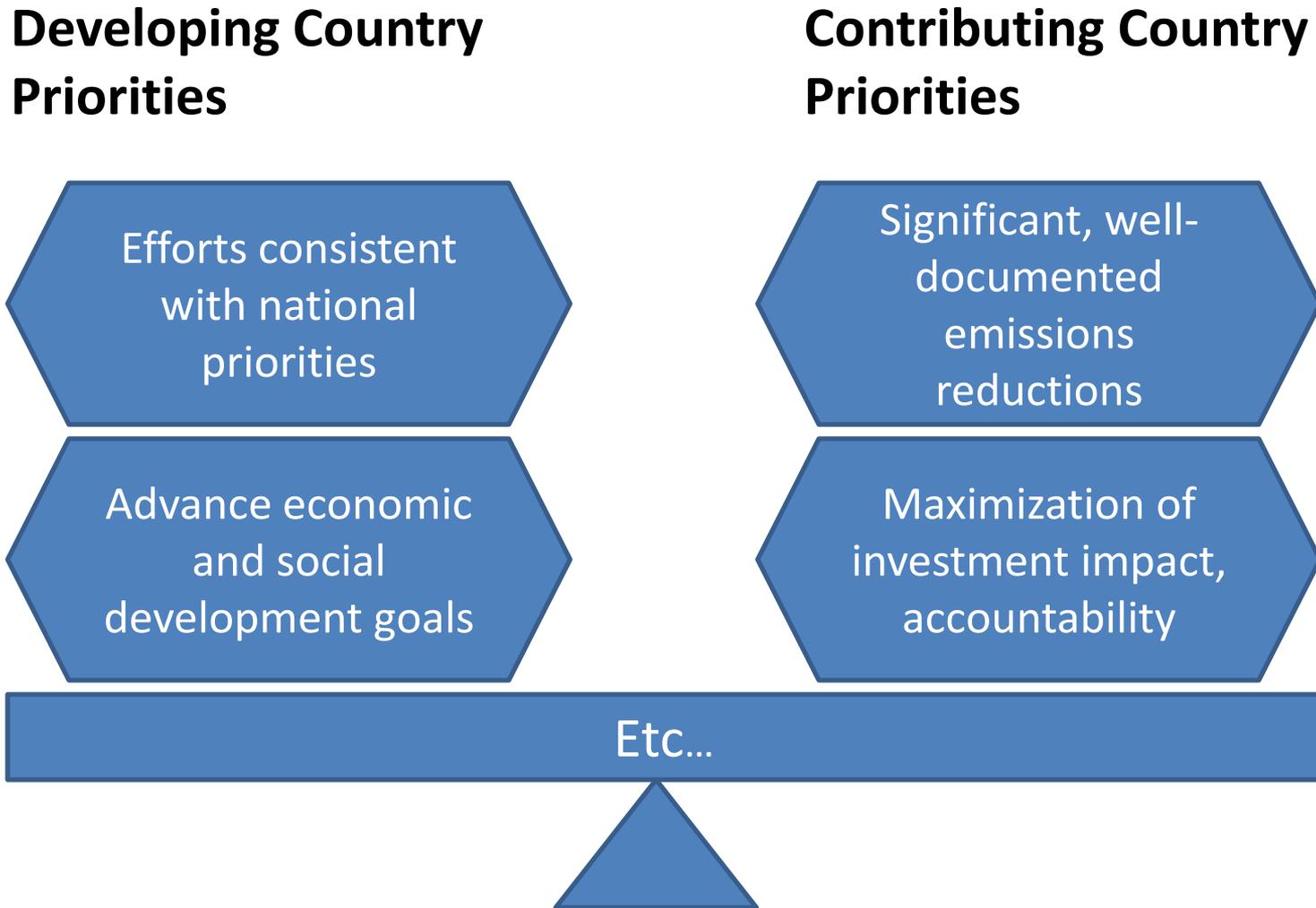
Advance economic and social development goals

## Contributing Country Priorities

Significant, well-documented emissions reductions

Maximization of investment impact, accountability

Etc...



# Advancing a Shared Vision (cont'd)

**CCAP policy dialogue in Bonn** made progress toward shared vision on what constitutes an effective and financeable NAMA

- Agreement on need to assess potential supported NAMAs based on GHG and non-GHG criteria (development, health, mobility, etc)
  - As opposed to CDM (cost and additionality of reductions)
- Contributing countries will need to show funding → emissions reductions, but recognized the importance of non-GHG “co-benefits”
  - Improve quality of life
  - Increase political support for actions in developing countries
  - Advance official development assistance goals
- Agreement on need to ensure initial NAMAs set example for future NAMAs and are ambitious in achieving transformational change

# Straw Proposal of Criteria

## Discussion resulted in CCAP discussion paper on supported NAMA criteria

- Purposes:
  - Facilitate design of financeable NAMAs (know what funders look for)
  - Ensure NAMAs advance development goals and national priorities
  - Ensure initial NAMAs are ambitious in achieving transformational changes (precedents for future NAMAs)
  - Help define and focus NAMA concept and shape design of GCF with concrete early examples of unassailable NAMAs
  - Eventually help advance UNFCCC negotiations on NAMAs
- However:
  - NAMAs not expected to fulfill all criteria to highest level (not meant to further burden developing countries)
  - Generic to all NAMAs (specific criteria developed later)
  - Conceptual and evolving

# Straw Proposal of Criteria (cont'd)

Three categories of NAMA selection criteria:

## Effectiveness Criteria

GHG and non-GHG  
goals; ambition of  
goals; MRV

## Implementation Plan

Plan coherence;  
stakeholder  
support; capability  
to implement

## Financing Plan

Budgeting;  
leveraging of  
investments; risk  
management

Funders are also interested in receiving visibility for their contributions (as in ODA, and in counting toward UNFCCC commitments)

# Straw Proposal of Criteria (cont'd)

## Effectiveness Criteria

| Criteria:                              | NAMAs/proposals should demonstrate:   |
|--|---|
| <b>1. Level of GHG reduction</b>       | <ul style="list-style-type: none"><li>• Clear estimate of expected GHG reductions (assess cost-effectiveness; will depend on capacity)</li><li>• Discussion of factors likely to affect the estimate</li></ul>                            |
| <b>2. Ambition</b>                     | <ul style="list-style-type: none"><li>• Ambitious expected GHG reductions</li><li>• Scope within sector or economy</li><li>• Other transformational changes (non-GHG benefits, use of new technology, innovative approach, etc)</li></ul> |
| <b>3. Other benefits (co-benefits)</b> | <ul style="list-style-type: none"><li>• Clear economic, social, or health benefits (→ political support, ministry buy-in, national/ODA goals)</li></ul>   |

# Straw Proposal of Criteria (cont'd)

## Effectiveness Criteria (cont'd)

| Criteria:                               | NAMAs/proposals should demonstrate:  |
|---|--|
| <b>4. Ability to overcome barriers</b>  | <ul style="list-style-type: none"><li>• Potential to overcome significant and protracted barriers (technological, financial, etc)</li></ul>  |
| <b>5. Sustainability/ Replicability</b> | <ul style="list-style-type: none"><li>• Potential to create permanent results (despite changes in government, etc)</li><li>• Ability to build support for additional actions domestically or internationally</li></ul> |
| <b>6. MRV plan</b>                      | <ul style="list-style-type: none"><li>• Appropriate plan with performance milestones</li><li>• Measurable and reliable GHG and non-GHG metrics (progress toward intended results)</li></ul>                            |

# Straw Proposal of Criteria (cont'd)

## Implementation Plan

| Criteria:   | NAMAs/proposals should demonstrate:  |
|---|--|
| <b>1. NAMA description and implementation plan</b>            | <ul style="list-style-type: none"><li>• Clear description including scope and boundaries</li><li>• Feasible implementation plan including timeframes, risk management, and defined roles for actors involved</li></ul> |
| <b>2. Consistency with national development plans</b>         | <ul style="list-style-type: none"><li>• Consistent with development goals/strategies , including low-emissions development strategies (→ support during changes in government)</li></ul>                               |
| <b>3. High-level political support/<br/>Country ownership</b> | <ul style="list-style-type: none"><li>• Backing from ministers, head of state (“sold” on NAMA, play key role)</li></ul>  |

# Straw Proposal of Criteria (cont'd)

## Implementation Plan (cont'd)

| Criteria:                                    | NAMAs/proposals should demonstrate:  |
|--|--|
| <b>4. Buy-in from stakeholders in sector</b> | <ul style="list-style-type: none"><li>• Consistency with ministries' existing plans, priorities of stakeholders in sectors (unions, companies, etc)</li></ul>  |
| <b>5. Capacity to implement</b>              | <ul style="list-style-type: none"><li>• Ability of the country and relevant agencies to successfully implement the action</li><li>• Appropriate capacity, prior experience, coordination among agencies, etc</li></ul> |

# Straw Proposal of Criteria (cont'd)

## Financing Plan

| Criteria:   | NAMAs/proposals should demonstrate:   |
|---|---|
| <b>1. Budget (with national contribution)</b>                 | <ul style="list-style-type: none"><li>• Reasonable financial budget that demonstrates funds will be managed and used effectively</li><li>• Justification for why outside funds are needed</li></ul> |
| <b>2. Maximized catalytic impact of international funding</b> | <ul style="list-style-type: none"><li>• Impact of funding, in terms of overcoming barriers or reducing emissions (cost-effectiveness when coupled with expected reductions)</li></ul>               |
| <b>3. Leveraging of other public/private funding</b>          | <ul style="list-style-type: none"><li>• Cost-effective removal of financial barriers to incentivize private investment</li></ul>  |

# Straw Proposal of Criteria (cont'd)

## Financing Plan (cont'd)

| Criteria:   | NAMAs/proposals should demonstrate:  |
|---|--|
| <b>4. Avoidance of duplication of efforts/funding</b> | <ul style="list-style-type: none"><li>• No duplication of other funding for similar actions</li><li>• No double counting of emission reductions (CDM projects and NAMAs)</li></ul>   |
| <b>5. Clear exit strategy for funders</b>             | <ul style="list-style-type: none"><li>• Private-sector component that does not rely on contributing-country support</li><li>• Viable strategy for funds to eventually be withdrawn without threatening NAMA's sustainability</li></ul> |
| <b>6. Risk mitigation</b>                             | <ul style="list-style-type: none"><li>• Minimization of risk and uncertainty for contributing countries</li><li>• Structure similar to commercial financing</li></ul>  |

# Key Takeaways

- Bilateral funding for implementation of rapidly developing NAMAs is coming on line
- Now is opportunity to shape the direction of NAMA criteria
  - Through bilateral programs, prior to full launch of GCF
  - Guidance for NAMA designers, balance priorities
- NAMAs should be assessed based on GHG as well as non-GHG criteria
- NAMAs should help overcome barriers, use funding effectively
- High-level political support and consistency with national development priorities are critical
- NAMAs should be ambitious in achieving transformational changes, as initial NAMAs will set precedents for future implementation

# Discussion Questions

- Participant teams:
  - Do signals from contributing countries on an initial list of criteria help countries in the design of your NAMAs?
  - Will non-GHG criteria help you “sell” NAMAs at home?
- Contributing countries:
  - How can we communicate initial/potential NAMA assessment criteria so NAMAs are designed effectively?
  - How important is it for NAMAs to balance all criteria vs. high achievement in a few categories?
- Do participants agree on this initial straw proposal of criteria? What other components are important that are not included?
- What components can realistically be incorporated into the design of teams’ NAMAs?

# Thank you

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# Straw Proposal of Criteria

## Effectiveness Criteria:

- Level of GHG reduction
- Ambition
- Other benefits
- Overcomes barriers
- Sustainability/  
replicability
- MRV plan (GHG, other)

## Implementation Plan:

- NAMA description
- Consistency w/ nat'l  
development plan
- High-level political  
support
- Buy-in from sectors
- Capacity to implement

## Financing Plan:

- Budget (w/ nat'l \$)
- Catalytic impact of \$
- Leveraging of private-  
sector \$
- Avoidance of  
duplication of funding
- Clear exit strategy
- Risk mitigation