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...
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
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
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

<table>
<thead>
<tr>
<th>Criteria:</th>
<th>NAMAs/proposals should demonstrate:</th>
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<tbody>
<tr>
<td>1. Level of GHG reduction</td>
<td>• Clear estimate of expected GHG reductions (assess cost-effectiveness; will depend on capacity)</td>
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<td>• Discussion of factors likely to affect the estimate</td>
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<td>2. Ambition</td>
<td>• Ambitious expected GHG reductions</td>
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<td>• Scope within sector or economy</td>
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<td></td>
<td>• Other transformational changes (non-GHG benefits, use of new technology, innovative approach, etc)</td>
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<td>3. Other benefits (co-benefits)</td>
<td>• Clear economic, social, or health benefits (political support, ministry buy-in, national/ODA goals)</td>
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<tr>
<td>Criteria:</td>
<td>NAMAs/proposals should demonstrate:</td>
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<tr>
<td><strong>4. Ability to overcome barriers</strong></td>
<td>• Potential to overcome significant and protracted barriers (technological, financial, etc)</td>
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<td><strong>5. Sustainability/ Replicability</strong></td>
<td>• Potential to create permanent results (despite changes in government, etc)</td>
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<td></td>
<td>• Ability to build support for additional actions domestically or internationally</td>
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<td><strong>6. MRV plan</strong></td>
<td>• Appropriate plan with performance milestones</td>
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<td>• Measurable and reliable GHG and non-GHG metrics (progress toward intended results)</td>
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Implementation Plan

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| 1. NAMA description and implementation plan | • Clear description including scope and boundaries  
• Feasible implementation plan including timeframes, risk management, and defined roles for actors involved |
| 2. Consistency with national development plans | • Consistent with development goals/strategies, including low-emissions development strategies (→ support during changes in government) |
| 3. High-level political support/ Country ownership | • Backing from ministers, head of state (“sold” on NAMA, play key role) |
Straw Proposal of Criteria (cont’d)

Implementation Plan (cont’d)

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<td><strong>4. Buy-in from stakeholders in sector</strong></td>
<td>• Consistency with ministries’ existing plans, priorities of stakeholders in sectors (unions, companies, etc)</td>
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<td><strong>5. Capacity to implement</strong></td>
<td>• Ability of the country and relevant agencies to successfully implement the action</td>
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<td>• Appropriate capacity, prior experience, coordination among agencies, etc</td>
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### Financing Plan

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| **1. Budget (with national contribution)**    | • Reasonable financial budget that demonstrates funds will be managed and used effectively  
• Justification for why outside funds are needed |
| **2. Maximized catalytic impact of international funding** | • Impact of funding, in terms of overcoming barriers or reducing emissions (cost-effectiveness when coupled with expected reductions)                                                                                             |
| **3. Leveraging of other public/private funding** | • Cost-effective removal of financial barriers to incentivize private investment                                                                                                                                                    |
### Straw Proposal of Criteria (cont’d)

#### Financing Plan (cont’d)

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| **4. Avoidance of duplication of efforts/funding** | • No duplication of other funding for similar actions  
• No double counting of emission reductions (CDM projects and NAMAs) |
| **5. Clear exit strategy for funders** | • Private-sector component that does not rely on contributing-country support  
• Viable strategy for funds to eventually be withdrawn without threatening NAMA’s sustainability |
| **6. Risk mitigation** | • Minimization of risk and uncertainty for contributing countries  
• Structure similar to commercial financing |
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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<tr>
<td>• Level of GHG reduction</td>
<td>• NAMA description</td>
<td>• Budget (w/ nat’l $)</td>
</tr>
<tr>
<td>• Ambition</td>
<td>• Consistency w/ nat’l development plan</td>
<td>• Catalytic impact of $</td>
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<td>• Other benefits</td>
<td>• High-level political support</td>
<td>• Leveraging of private-sector $</td>
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<tr>
<td>• Overcomes barriers</td>
<td>• Buy-in from sectors</td>
<td>• Avoidance of duplication of funding</td>
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<td>• Sustainability/ replicability</td>
<td>• Capacity to implement</td>
<td>• Clear exit strategy</td>
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<td>• MRV plan (GHG, other)</td>
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<td>• Risk mitigation</td>
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