

Supported NAMA Template

Discussion Draft

Michael Comstock, Manager, International Climate Dialogue
Stacey Davis, Senior Program Manager
Center for Clean Air Policy (CCAP)

Mitigation Action Implementation Network (MAIN)
2nd LAC Regional Dialogue
November 9, 2011
Santiago, Chile



NAMAs: Current State of Play

- Quality NAMAs must be advanced quickly to show framework works, achieve real reductions, and take advantage of international funding
- Several NAMA proposals are being developed, including a design concept for Energy Efficiency Measures in the Mexican Residential Building Sector
- Fast Start Finance has been used to enhance capacity, provide policy advice, advance *mitigation projects*, but very little for *implementation of NAMAs*

Supported NAMA Template

- Uncertainty allows flexibility for NAMAs consistent with countries' priorities, but may be impeding progress on implementation/financing:
 - The process to secure funding is unclear
 - Criteria used to judge NAMAs has not been elaborated to a large extent
 - Developing countries do not know what/how much information is needed to initiate discussion with prospective funders
- A standardized supported NAMA template could facilitate bilateral discussions needed to speed NAMA finance and implementation

How Can a Template Help?

- Provide info for actions already underway (recognition, coordination)
- Identify basic NAMA info to consider, articulate potential NAMAs in developing countries
- Compare and prioritize NAMAs domestically across ministries
- Start conversations between donors and implementers to help match NAMAs with finance
 - More easily articulate NAMA ideas to potential funders
 - Ensures initial proposals include key information needed by contributing countries and institutions (like PIN, more detailed info later)

Scope of Template Information

- Meant to be facilitative tool to help countries plan and obtain funding
- Balance between enough info for funders and minimizing burden for developing countries (eg, sustainable development benefits if info available)
- Should help gather and articulate information domestically and to funders, but not tie countries to emissions reference cases
- Template is evolving concept

Proposed Supported NAMA Template – Revised Nov. 3, 2011

<i>Proposed Template Categories</i>	<i>In UNFCCC registry text from Oct. 14?</i>	<i>Example - Residential Building Efficiency (Potential Mexico NAMA)</i>
Name of the Proposed Action	<i>Not in registry text</i>	Increase the technological ambition and penetration of Mexico's green mortgage program from 37% to 100% of eligible new houses
Applicable Sector(s)	<i>Not in registry text</i>	Residential building sector
Current Actions <ul style="list-style-type: none"> • Actions, policies and regulations already in place in the sector(s) • Gaps in current actions 	<i>Not in registry text</i>	Existing green mortgage program, subsidies to housing developers, building codes/norms, efficient light bulb distribution program

<p>Description of the Proposed NAMA</p> <ul style="list-style-type: none"> • Qualitative and quantitative objectives of the NAMA • Policies or measures that will be used to achieve the proposed NAMA • Rationale/justification for proposed NAMA • How NAMA relates to national climate strategy 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“Description of the mitigation action”</i> 	<ul style="list-style-type: none"> • Increase the technological ambition and penetration of Mexico’s green mortgage program from forecasted 37% to 100% of eligible houses in 2020 • Building codes, institutions to administer NAMA, capacity building, marketing/advertising, etc.
<p>Timeframe for NAMA Implementation</p> <ul style="list-style-type: none"> • Anticipated timeframe for implementation of the NAMA 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“The expected timeframe for implementation”</i> 	<p>By 2020</p>

<p>Risks and Barriers</p> <ul style="list-style-type: none"> • Potential risks or barriers to NAMA implementation 	<p><i>Not in registry text</i></p>	<p>None identified</p>
<p>Metric(s) of Success</p> <ul style="list-style-type: none"> • Proposed method to track implementation of the NAMA , progress indicators for expected outcomes 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“Indicators of implementation of the action”</i> 	<p>Energy use per square foot of floor space</p>
<p>Estimated Emissions Outcome</p> <ul style="list-style-type: none"> • Estimated emissions outcome as a result of the NAMA 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“Estimated emissions [reductions] [outcome] [mitigation result] [or other indicators of implementation] [based on the understanding that the commitment is to implement the action and not to the outcome]”</i> 	<ul style="list-style-type: none"> • Estimated improvement in GHG per square foot of floor space • <i>Aggregate tons of impact:</i> Estimated aggregate tons per house multiplied by number of additional houses added to program (15.9 million tons, cumulative)

<p>Other Expected Benefits</p> <ul style="list-style-type: none"> • Other environmental, economic, sustainable development benefits 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“Co-benefits for local sustainable development, if info exists”</i> 	<p>Air quality, energy costs, economic impacts</p>
<p>Incremental Costs of the NAMA</p> <ul style="list-style-type: none"> • Total incremental costs • Estimated cost per unit of outcome 	<p>Registry language:</p> <ul style="list-style-type: none"> • <i>“Estimated [incremental] costs of the mitigation action”</i> 	<ul style="list-style-type: none"> • The total cumulative incremental cost of the supported NAMA is US\$6 bn (including solar PV). In addition, the Mexican government continues to support growth in the existing Green Mortgage program (via a unilateral NAMA) (additional US\$4.5 bn through 2020) • \$ per square foot of floor space

Support Requested for Proposed NAMA & Other Sources of Finance

- **Financing** requested for NAMA preparation and implementation (total amount of funding requested and form, not to exceed total incremental cost of NAMA)
- Amounts and sources of other financing (private & public)
- **Capacity building** requested (for preparation of NAMA, training of staff for implementation)
- **Technology transfer** requested

Oct 5 registry language:

- *“Capacity-building support required to implement the mitigation action, and an estimate of the full agreed costs of activities enabling the action”*
- *“The technology transfer requested”*

Oct 14 EU text:

- *“Support requirements and type...”*

- **Financing:** US\$6 bn requested (total incremental cost) in loans, credit, interest rate subsidies
- **Other financing (for separate unilateral component):** US\$4.5 bn from Mexican government
- **Capacity building:** Assistance with program administration, such as design of a detailed finance plan and MRV framework
- **Technology:** Support for development of building codes

<p>Implementing Agencies & Contact Information</p> <ul style="list-style-type: none">• Agency endorsing NAMA proposal• Name, affiliation, title• Phone, e-mail, address, fax	<p>Registry language:</p> <ul style="list-style-type: none">• <i>“A description of the anticipated implementing agency”</i>	<p>National Housing Commission (CONAVI)</p>
---	--	---



Discussion Questions

- Do developing countries see a standardized template as useful for facilitating bilateral discussions? Do donors?
- Are these the basic elements of NAMA design to facilitate NAMA financing discussions between donors and implementers? (Balance between sufficient information and not being overly burdensome for countries?)
- Should use of the template be voluntary or required?
- Will an estimate of emissions reductions that does not enshrine a BAU reference case suffice initially?
- Have countries begun to think through potential NAMAs in terms of incremental costs – above and beyond planned expenditures?

Thank You

Michael Comstock
mcomstock@ccap.org