Overview

The first video conference of the Mitigation Action Implementation Network (MAIN) successfully brought together over 40 representatives from Argentina, Chile, Colombia, Costa Rica, Panama, and Peru to further conceptualize NAMAs building on the discussions and the work done at the MAIN Dialogue in Costa Rica last March. The discussions focused on the challenges faced in the early stages of identifying and framing NAMA proposals. Participants provided constructive feedback on two specific NAMAs presented by colleagues in Peru and Argentina.

Participants also critiqued a draft NAMA template presented by CCAP to spark discussion amongst participating MAIN teams on the core elements of a NAMA proposal. The goal of developing this NAMA template is to help participants frame their NAMA proposals and to develop a conceptual structure for NAMAs that can be incorporated into bilateral and international frameworks. Moving forward, it is key that developing countries embrace their ability to shape the NAMA framework and actively engage in exchanging their views with contributing countries.

Presentation of Potential NAMAs

Rafael Millan, Ministry of Environment, Peru presented their concept for an energy efficiency NAMA focusing on promoting efficient lighting in the residential and commercial sectors by removing barriers to the use of efficient lighting technologies. They chose to pursue support for their energy efficiency actions through the NAMA framework instead of Programmatic CDM because the NAMA framework is broader and can include more comprehensive actions which may not be eligible under the more project-based CDM framework. Peru is developing its NAMAs under a larger conceptual framework called a proNAMI which encompasses the national plan for energy efficiency. Within this ProNAMI framework, Peru will then develop NAMAs as smaller components that address the barriers and financing needs identified in specific regions.

Promoting energy efficiency in Peru faces a number of barriers including technology constraints, lack of an ESCO model, low cultural awareness about energy efficiency, and high lending and credit rates that make banks averse to investing. Peru has identified a number of areas where fast-start climate financing could be used to support development of the NAMA including: (1) hiring experts to design the financing structure for specific elements within the NAMA (2) developing a robust MRV system including establishing a baseline, and (3) launching
a demonstration pilot project. Peru has a financing line from a local bank and IDB to improve the return on investment on energy efficiency projects in small and medium enterprises (SMEs). With $30 million in funding available from JICA and $50 million from IFC for their energy efficiency projects, Peru believes that the basic funding for project investments is in place, but they are seeking additional support to develop the financing structure, the baseline and the MRV structure.

**Rodrigo Rodriguez, Secretary of Transportation, Argentina** presented a national project to modernize the infrastructure of the Belgrano Cargas freight rail system and promote a modal shift from trucks to rail for agricultural products. In Argentina, freight transport is responsible for half of national GHG emissions, and 96% of the freight moves by truck. The Belgrano Cargas railway network is the largest in the country, covering over 70% of agricultural production transport yet rail delivers only 3% of the nation’s freight. In addition to the safety and development benefits of modernizing infrastructure, the project aims to reduce GHG emissions through a number of efficiency measures, which they are seeking funding for through the NAMA framework. Argentina aims to increase rail share of freight transport from 2% to 20% by 2020, displacing less efficient and higher CO2 emitting truck transportation with more efficient rail transport. Other efficiency elements of the freight project include installing more efficient locomotives, lighter and more efficient rolling stock, a better computerized logistics system that will optimize freight movements, and low carbon cranes and other equipment for their new port facilities. The presenters solicited feedback on their top two challenges: (1) how to design a robust MRV system for a NAMA in the transportation sector and (2) how to make the project attractive to donors if framed as a NAMA.

Participants agreed that one of the largest needs for successful NAMA design is technological and financial assistance to develop a robust MRV system and define the baseline. Costa Rica noted that while sharing successes is useful, sharing information learned from unsuccessful attempts can be just as helpful to countries as they aim to develop achievable NAMAs. Chile offered to share lessons learned from mistakes they made in developing an MRV system for their energy efficiency project. Panama also commented on how others can gain from their experience in developing an energy efficiency campaign by considering MRV from the start of the program instead of as a follow-up activity, which made it difficult for them to measure the impacts of their program after the fact. Participants discussed whether MRV for NAMAs should include progress towards achieving target actions (such as increased modal share for rail or increases in deployment of efficient lighting) as the principal measure rather than the more technically difficult measure of tons CO2 reduced by each NAMA. The alternative of an MRV system that measures actions rather than tons will be a key topic going forward, and the MAIN initiative will continue to explore it through dialogues and a policy paper that is being drafted by CCAP.

**Dialogue on Elements of Proposed NAMA Template**

CCAP presented a “straw proposal” template to the group to spark discussion on what elements should be included in a NAMA proposal at the first stage of design. Key elements that were proposed in the draft template were: (1) current actions in the sector; (2) description of the NAMA and timeframe for implementation; (3) proposed metrics of success; (4) estimated CO2 reductions; (5) identified co-benefits; (6) costs and (7) amount and types of support requested. Participants added two categories to the proposed template:
(1) Barriers to implementation and MRV of the proposed NAMA, and
(2) Risks in achieving the objectives of the NAMA.

In addition, there was general agreement that the template should explicitly mention the sectors to be covered by the NAMA, and potentially include information about the state of emissions in the sector at the time of NAMA submission. A number of participants expressed concern that financing and/or technical support would be needed to fill out the information required in the NAMA template. Peru noted that the process of completing the template could be considered as a readiness phase for NAMA design. Countries highlighted that there are currently no NAMAs ready to seek bilateral financial support but some believed that with technical assistance, the first phase of NAMA design could be completed in a short-term timeframe of around six months.

Chile, Costa Rica, Peru and others underscored the importance of hearing from contributing countries what would be their views and preferences on NAMA funding criteria and key design elements, in particular for bilateral cooperation. They expressed reservations about submitting a NAMA without a clear-cut idea of who their partners would be and what funding conditions they have.

Ned Helme of CCAP emphasized that donors are still uncertain about their criteria for NAMAs. Hence there is an opportunity to shape the process from the bottom-up in ways that take into account the practical experiences and needs of developing countries. He urged developing countries to be more assertive in bringing their concerns and suggestions into the process of defining the NAMA implementation framework, including funding principles and criteria.

Next Steps

- The World Bank is currently holding registration for the first in a series of e-learning sessions with partner, INCAE, which will focus on topics relevant to developing Low Carbon Development Strategies

- MAIN video conferences will continue on a monthly based on topics that are of interest to the participating countries. One potential topic for the next video conference is to dig deeper into the challenges and opportunities in developing energy efficiency NAMAs. The next session will take place in early August and the date will be announced shortly.

- CCAP and the World Bank Institute encourage countries to send any input or comments on this video conference session or to propose topics for future video conference sessions to: Marcos Castro at mcastrorodriguez@worldbank.org and Michael Comstock at mcomstock@ccap.org
May 24th MAIN Video Conference
Agenda

1:00  Welcome
     WBI and CCAP

1:10  Introductory discussion on NAMAs state of play
     Presentation of a possible NAMA proposal template for discussion
     Ned Helme, CCAP

1:25  Roundtable discussion on NAMA template

1:55  Presentation on Argentina’s freight rail NAMA design
     Rodrigo Rodriguez, Ministry of Transportation

2:10  Roundtable discussion/peer review

2:40  Presentation on Peru’s energy efficiency NAMA design
     Maria Paz Cigaran, Libelula

2:55  Roundtable discussion/peer review

3:25  Closing comments
     WBI and CCAP

3:30  Adjourn