

Opinion piece

NAMAs from the perspective of developing countries

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Executive Summary

The Paris Agreement that was reached on 12 December 2015 delivered a universal accord on reducing greenhouse gas (GHG) emissions to a level that would keep the planet well below 2 degrees Celsius warming. Following that agreement, implementation is key and countries now have the task to accelerate the pace at which GHG emissions are reduced. This paper presents the views from a group of government officials¹ on the role Nationally Appropriate Mitigation Actions (NAMAs) will play in implementation of the Paris Agreement in developing countries.

NAMAs are recognised as an important mitigation and development tool

Government officials consulted prior to, during and after the Paris negotiations recognise the relevance and value NAMAs have in helping them achieve their mitigation commitments. Since their inception in 2007, the number of NAMAs developed has increased almost five-fold; from 35 NAMAs in 2012² to 165 NAMAs in 2015. Interviewees said their countries choose to develop NAMAs because they bring recognisable benefits: first, they are a practical instrument to implement national policies and sectoral mitigation plans; second, they are a practical tool to achieve sustainable development goals; and third they can decarbonise sectors while increasing their productivity.

The process of developing NAMAs has built transferrable skills, which need to be strengthened

NAMA development requires thorough stakeholder consultations to guarantee national buy-in, interinstitutional coordination to ensure the NAMA fits in the government's climate and development agenda, and technical assistance from NAMA practitioners to guide the NAMA development process. Though the process is time consuming, interviewees argued that it strengthens government institutional capacities and enables a dialogue to reach a common goal. The experience of the developing country representatives consulted is that further support is still needed to build capacity on measuring, reporting and verification (MRV) and to increase the data available to support decision making. Links also need to be strengthened between mitigation and adaptation. Finally more integration is needed of actors such as regions and cities and the private and financial sectors.

Accessing implementation finance remains the biggest challenge

Once the NAMAs are developed, the major challenge identified was accessing implementation finance. The pace of NAMA implementation is slower than the pace of NAMA development.

¹ Ecofys interviewed government officials from developing countries' ministries who lead on NAMAs. These countries include: Cambodia, The Gambia, Vanuatu, Colombia, Costa Rica, Ethiopia, Senegal, and Egypt.

² The first Annual Status Report published by Ecofys and ECN in 2012 reported 37 NAMAs; the last report published in December 2015 reported 165 NAMAs in total.

Countries seem to face a major obstacle in making a convincing financing plan that shows national commitment in the form of national budget. With multiple national priorities and scarce public budget, government officials reported challenges in convincing development and finance ministers to include their NAMAs in their priority list. Faced with these obstacles, governments are experimenting with different ways to solve the issue; some have included NAMAs directly in their INDCs, others connect NAMAs with national low emission development strategies and/or low carbon development strategies. Nevertheless, support is still needed to accelerate implementation; either technical assistance to create financial models for the NAMAs to attract international finance, or increased international funding sources to match the national financial commitments.

After the Paris agreement NAMAs become even more relevant to developing countries

Despite the challenges, the officials we interviewed see a future for NAMAs after the Paris agreement; they regard NAMAs as a versatile vehicle to accelerate implementation of sectoral plans embedded in national climate strategies and INDCs. They argue that NAMAs become even more relevant to achieve emission reductions while contributing to low-carbon development. The main challenge is how to gain access to NAMA implementation finance.



1 Introduction

Following the Paris Agreement, the world is entering an era of accelerated implementation, where countries have to transform fossil-fuel dependent economies into ones that rely on clean energy sources. There are diverse options to achieve this goal and the opinions presented here address the question What role will NAMAs play in implementation of the Paris Agreement in developing countries and what are the challenges in that role?. The conclusions are based on the response to a questionnaire and detailed interviews with developing country officials prior to, during and following, the Paris meeting. The country officials interviewed for this paper were generally drawn from the ministries responsible for the development of NAMAs³. The conclusions drawn are based on the consensus views from the interviewees.

In this paper, we present first the strengths of NAMAs in implementation of decarbonisation and then look at the associated requirements and challenges, as expressed by interviewees.

2 NAMAs are recognised as an important mitigation and development tool

Interviewees recognise three main benefits of continuing to use NAMAs for implementation: first, they are a practical instrument to reduce GHG emissions; second, they are a practical tool to achieve sustainable development goals; and third they can decarbonise sectors while increasing their productivity.

NAMAs are a flexible and pragmatic mechanism to reduce GHG emissions. The country officials consulted for this paper agreed that NAMAs enable systematic thinking to connect the day-to-day activities of economic sectors with the climate policies developed at the national and sectoral levels. The bottom-up approach of NAMAs transforms the dialogue between policy makers and constituencies, and in some countries even facilitates the emergence of that dialogue. Country officials value this transformation because empowering stakeholders to participate in mitigation actions helps governments to find win-win solutions to reduce GHG emissions.

NAMAs are also a practical tool to achieve sustainable development goals. Interviewees have similar views on using NAMAs to connect mitigation to sustainable development. This is particularly so for priority issues such as closing the poverty gap, increasing access to electricity and water, and achieving food security. Constituencies and stakeholders who participate in NAMA consultations are reported to be quick to bring these development issues to the discussion. They

³ Ecofys interviewed government officials from: Cambodia, The Gambia, Vanuatu, Colombia, Costa Rica, Ethiopia, Senegal, and Egypt.

emphasise that GHG emission reduction programmes should trigger or incorporate actions to achieve sustainable development (SD), some even challenge NAMA developers to include climate resilience in NAMAs. These discussions shape the development of NAMA concepts and have led developing countries to make a stronger link between sustainable development goals (SDG) and climate change mitigation. In 2015 this approach became even more relevant to countries as the 2030 Agenda for Sustainable Development “Transforming our World” was adopted by the United Nations General Assembly (193 member countries). Some countries are already using the [Sustainable Development Goals \(SDG\) tracking tool](#) developed by the United Nations Development Programme (UNDP) to assess sustainable development performance indicators and track the impacts of NAMAs in the environment, economy, public welfare and poverty reduction.

NAMAs can decarbonise sectors while increasing their productivity. It is in the governments’ interest to pursue programmes that increase economic productivity and create jobs. Some countries have sectoral strategies linked with mitigation goals, providing a framework to decarbonise sectors in a manner that increases productivity and competitiveness. Stakeholders from the private sector that participate in NAMA consultations also favour these approaches, and ask governments to provide clear signals and incentives that encourage their active participation in NAMA development and implementation. The country officials consulted recognised that the fact that NAMAs are not short-term projects but rather programmes with a vision of a productive low carbon future makes them a versatile tool to advance sectoral transformations. NAMAs with this visionary approach are planning to increase energy efficiency and economic productivity of industries (e.g. [Energy efficiency and alternative energy use in the cement sector](#)), increase competitiveness of agro sectors (e.g. [Low carbon coffee NAMA](#)), and phase out fossil-fuel dependent transportation systems and inefficient technologies (e.g. [Transit-oriented development](#), and the [domestic refrigeration sector](#)).

3 The process of developing NAMAs has built transferrable skills, which need to be strengthened

Developing country representatives regard the process of developing NAMAs as time consuming, as it requires thorough stakeholder consultations and interinstitutional coordination within and across line ministries. They argue though that the process strengthens government institutional capacities and enables a multi-stakeholder dialogue to reach a common goal. They also view the development of NAMAs from concept to full design as a constructive process that builds skills and capacities that can be transferred to other national development programmes. Their experiences show that there are still areas where they require further support.

First, data availability and MRV capacities are still limited. Some developing country governments, and especially their statistics departments, still lack the resources and capacities to gather and



process data. This limitation constrains the analysis at the NAMA design stage as countries need to make educated decisions to decide on the NAMA components and specific activities. Though this is regarded as a limitation, countries overcome this constraint by involving stakeholders in the discussion to contribute their local and sectoral experience. An additional issue of importance to developing countries is the need to build capacities to design robust monitoring, reporting & verification (MRV) systems. Interviewees said it would be useful to incorporate MRV training at early stages (i.e. from the NAMA inception), so when the NAMA is ready for the implementation stage, the entities in charge of MRV are also ready.

Second, interviewees voiced the need to strengthen the link between mitigation and adaptation. The Paris Agreement established a strong position for increasing climate resilience and adaptation capacities, especially for countries facing the highest risks. Consulted parties said that this captures very well the discussions they have at their NAMAs stakeholder consultations. Their constituencies argue that while reducing GHG emissions is important, adaptation to climate change should also be a priority. At the NAMA design stage, governments are challenged and urged to link adaptation and mitigation in their NAMAs. To date, there are no examples of NAMAs that do this explicitly; however, there are NAMAs that give weight to the co-benefits by demonstrating the increase of climate resilience in poor communities. Examples of this include the renewable energy based off-grid electrification NAMAs in Ethiopia, Vanuatu, Namibia, Gambia, and Lao PDR.

Third, interviewees said that there should be stronger integration of regions and cities in the process. Countries that have already built strong experience in NAMA preparation, recognise the need to involve regional and urban actors, such as mayors and governors. Their experiences have shown them that implementation is more difficult if the regions or cities join the process at a late stage, especially where the execution of certain components occurs at a local or regional levels. The road through Paris demonstrated the powerful role of cities and regional governments can play in reducing greenhouse gas (GHG) emissions and adapting to climate change. After Paris, it is expected that national governments will include more of these actors in NAMA preparation and implementation.

The country officials interviewed want to learn how to involve the private sector and financial actors. Consulted parties are convinced that both the private and financial sector should take part of the stakeholder consultations that happen during the NAMA preparatory process. Much has been argued about the importance of their participation ([Ecofys and ECN 2015](#)); however, most of the interviewees expressed their concerns about how to achieve this in practice. They claim more is needed to convince the private sector and financial institutions to participate in all stakeholder consultations. These actors bring valuable inputs that would benefit the design of NAMAs, but also need to be engaged early in preparation for the implementation stage. A round of bilateral meetings between the government agency leading the NAMA and the private and financial institutions prior to the start of stakeholder workshops could kick-start the discussion.

These meetings would help the government to structure their ideas for the NAMA and present the benefits to the private sector, and the importance of their engagement.

4 Accessing implementation finance remains the biggest challenge

Gaining access to finance has been the main challenge of countries since NAMAs started to be developed. Since 2013, the Annual Status Report on NAMAs showed that the pace of implementation has lagged behind the pace of NAMA development⁴. Officials interviewed confirmed those assessments and argued that competition to access international funds is high and they struggle to make a convincing financial plan before international financial institutions. In the poorest countries especially, the struggle is more difficult because even when there is political commitment, circumstances prevent them from showing this commitment in the form of national budget allocations for NAMA implementation. With multiple national priorities and scarce public budget, government officials face challenges in convincing development and finance ministers to include their NAMAs in their priority list. Countries with this challenge have urged inclusion of NAMAs in INDCs, or made a stronger connection of NAMAs with national low emission development strategies and low carbon development strategies. This, interviewees say, requires good governance and persistent efforts to achieve a constructive interinstitutional dialogue that leads to the recognition of the value of NAMAs to accomplishing national or sectoral mitigation targets.

The Colombian Low Carbon Development Strategy (CLCDS) is an example of these efforts. The strategy aims to decouple GHG emissions from economic activities through sectoral mitigation measures. It has eight sectoral action plans with both mitigation priorities and implementation schemes, including a portfolio of NAMAs. The Ministry of Environment & Sustainable Development has made sure that the CLCDS is integrated in the national development plan, by carrying out inter-ministerial dialogues and consultations with the National Planning Department and the Ministry of Finance. Under this framework, any NAMA developed by Colombia has a national budget allocation backed by the political support of the ministries that dictate the national planning and financing of economic development.

Countries like Colombia can offer south-south knowledge exchange of their experiences to those countries that are still seeking solutions to the financing issue. The consulted officials that are struggling with implementation finance claim that they need support to accelerate implementation in the form of technical assistance to create financial models for the NAMAs to

⁴ These reports can be found at:
http://www.mitigationmomentum.org/downloads/Mitigation_Momentum_Annual_Status_Report_Dec_2015.pdf



attract international finance, and increased international funding sources to match the national financial commitments.

5 Conclusion – role for NAMAs in implementation of the Paris Agreement in developing countries

Under the framework set by the Paris Agreement, interviewees from developing country governments see NAMAs as a concrete vehicle to deliver on their commitments. They foresee that NAMAs with their flexibility will become even more relevant to implement low-carbon development programmes that seek not only mitigation but also economic growth, poverty reduction and climate resilience. Some officials mentioned that since the Paris agreement demands a regular update of Nationally Determined Contributions (NDCs), those that have not included NAMAs in their NDCs will most likely consider their inclusion in the next round of updates. To date one-third of the Non-Annex I countries that submitted INDCs proposed to use NAMAs to achieve their commitments ([Ecofys and ECN 2015](#)).

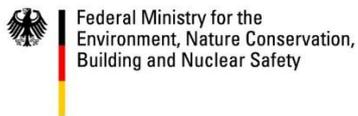
Implementing NAMAs remains the main challenge after they are developed. With scarce funding at the national and international level, officials from developing countries recognise they need to be innovative in creating financial plans and structures that are attractive to international financial institutions. NAMA practitioners are called on to support those countries that need to build capacities and skills to help them develop bankable and financially attractive NAMAs.



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