



## “The role of the private sector in NAMAs” NAMA Status Report - mid-year update 2017

Summary of Roundtable Dinner  
12 May 2017, Bonn

On Friday May 12, alongside the UNFCCC climate conference in Bonn, the Energy research Centre of the Netherlands (ECN) and Ecofys, a Navigant Company, co-hosted a roundtable dinner with the NAMA Facility. The objective of the dinner was to enhance understanding on private sector involvement in mitigation projects and NAMAs by sharing knowledge and lessons learned on how this involvement has worked in practice. The dinner was also a platform to launch the mid-year update of the NAMA Status Report 2017<sup>1</sup>, which is the latest edition in a series of reports on NAMAs. The report series are developed under the Mitigation Momentum project and the 2017 edition focuses on the role of the private sector in NAMAs.

Around 40 representatives from public and private organisations participated in an energetic and interesting exchange of experiences, sharing lessons learned and ideas on approaches to involving the private sector in both NAMA Support Projects (NSPs)<sup>2</sup> and more broadly in NAMAs. The representatives were from a range of different types of organisations, including funders and financial institutions (e.g. GCF, AfDB, BMUB), supra- and intergovernmental institutions (e.g. European Commission, UNEP), consultants (e.g. Perspectives, Climate Analytics), governments (e.g. government of Kenya, government of France), and the private sector (e.g. Philips Lighting, WEnergy).

The roundtable began with an open discussion on *‘everything you ever wanted to know about NAMAs but were afraid to ask’* which helped to develop a common understanding among participants about NAMAs. Participants agreed that even though NAMAs are a politicised term, there is and will always be a need for government led interventions with NAMA-like characteristics. Participants also agreed that the evolution of NAMAs has encouraged structured thinking and an open discussion on topics such as transformational change and the benefits of mitigation. Apart from these more general comments on NAMAs, the more specific key messages from the discussion are summarised on the following page.

### Conclusion

The enthusiasm and energy of all participants at the dinner shows that discussions about NAMAs are still relevant and useful. In particular, the contributions of participants from different types of organisations showed that a variety of perspectives exists on what is needed for successful private sector involvement in NAMAs. Sharing these experiences in fora such as this is important for fostering knowledge exchange and learning lessons about NAMAs in general, but also how involvement of the private sector in NAMAs has been approached and can be approached in the future.

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<sup>1</sup> The report can be downloaded from the Mitigation Momentum website:

<http://www.mitigationmomentum.org/downloads/NAMA-Status-Report-may-2017.pdf>

<sup>2</sup> NSPs are ‘projects funded by the NAMA Facility that will provide support to governments for the implementation of the most ambitious parts of their NAMAs through the provision of financial support and technical cooperation instruments’

<http://www.nama-facility.org/concept-and-approach/glossary/>



## Key messages from the roundtable discussion

1

In order to make NAMAs work, there is a **need to assess who receives the benefits** of the NAMA: Who is able to capture the business opportunities that are made available by NAMAs. It is important to identify the beneficiaries (international service and technology providers, commercial banks, investors, local manufacturers, etc.).

2

**The label 'NAMA' is not important for the private sector**, and as such it is important to talk about government interventions that help to open new business and investment opportunities, rather than attempting to explain what a NAMA is.

3

**A challenge in the current North-South cooperation is to build and retain capacity** of recipients, to make sure that they are confident enough to do specialist work themselves. If trained experts still hire international consultants for certain tasks that they could perform themselves, the North-South cooperation is not effective.

4

More **targeted information can help to get buy-in** from stakeholders who are not interested in the NAMA as a whole, but only in specific components. Rather than presenting the entire NAMA to each stakeholder, the focus should be on communicating only the aspects that are relevant to the stakeholder.

5

For technology and service providers, the key reason to become involved on NAMAs is to **seize market opportunities that generate business**, while at the same time supporting climate mitigation actions. NAMAs could help develop policies and regulatory frameworks to encourage technology and service providers to offer 'climate-smart' products and services.

6

**Financial instruments need to address investment risk.** NAMA designers should be realistic about business conditions in developing countries. High interest rates combined with institutional and political risks mean that the investment climate is often difficult. To create an investment opportunity that suits international investors, NAMAs need to put in place sufficient and country-specific de-risking measures.

7

**Citizens can potentially be a new group of NAMA investors.** As example, a NAMA in Georgia explored the options for microcrediting from citizens, as well as the idea of crowdfunding. This approach to attracting private investment could be replicated when developing other NAMAs.

## Contact



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