Policy Brief: An overview of current NAMA Guidance

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Introduction

The International Climate Initiative[1] formed a number of working groups within an Enhanced NAMA Cooperation Group. The Tools and Guides working group seeks to coordinate current efforts on NAMA related tools, guidebooks and templates, as well as reduce repetition of such work by different organisations. As a first step towards this goal, this brief analysis looks at the 8 main guides on NAMA development that have been published, or made available in draft form, as of May 2013.

This note summarises the approach found in these guides and identifies a number of areas, or gaps, that would benefit from further effort to provide supporting resources and guidance. It also aims to provide the basis for further discussion within the working group.

Scope

Eight guides or tools (see over page) were examined for this initial analysis. These were chosen due to their comprehensiveness and their focus on the full process of developing NAMAs. Approximately half are published, while the rest are either available as a draft or not yet publically available. Guides in this final category were kindly made available by the relevant organisations for the purpose of this analysis.

Each guide is summarised in the supporting annex in terms of
- the self-described target audience,
- the process it recommended to develop NAMAs within a country (typically based on a series of steps),
- what it said about institutional structure,
- what approach, if any, it proposes for estimating costs
- what templates it assumes or provides for different phases of NAMA development, and
- general comments

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[1] Of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

	Title	Publisher	Date & Status	Summary
1	Navigating transport NAMAs	GIZ & Wuppertal	2012 Feb DRAFT	High level handbook describing steps for developing NAMAs in the transport sector with a link to transport planning. Provides further reading on most topics
2	NAMA tool	GIZ	2012 Oct DRAFT 8.0	High level guide/tool that has ten distinct steps, each with some further resources linked within the tool.
3	Handbook on Renewable Energy NAMAs for Policy Makers and Project Developers	IRENA	2012 Nov Published	High level handbook listing a 3 stage approach. Complemented by three examples of NAMA development. Assumes an agreed NAMA idea exists.
4	Building blocks for NAMAs	AfDB	2012 Nov Published	High level guidance on NAMAs with a focus on the content of a proposal. Some additional resources listed in an Annex.
5	NAMAs: A technical assistance source book for practitioners	GIZ	2012 Aug Published	Sourcebook' of GIZ experiences across 5 themes. Not a step by step approach, but gives guidance on many elements, each linked to a project management model. Examples from projects and links to further resources.
6	On developing a NAMA proposal	ECN	2011 Sep Published	High level proposed steps for developing a NAMA towards implementation.
7	Good practice guidance for preparation and implementation of NAMAs	UNDP	2013 Apr DRAFT	Provides guidance and good practices for preparation and implementation of NAMAs, including the policy framework, potential types of actions, institutional arrangements and the roles of different actors, MRV issues and financial considerations.
8	Developing Financeable NAMAs: A practitioner's guide	IISD	2013 Mar Published	Guide for developing stand-alone NAMAs, or NAMAs within a low-carbon planning process. Predominantly focused on identifying, analysing and prioritising potential NAMAs.

Observations

From the process of creating the summary annex, two main observations on the current crop of guides and tool could be made:

Common steps: there is some broad agreement across the publications on the overall steps involved in a national NAMA development process. Sometimes additional steps are explicitly included, related to aspects such as data collection or early support engagement, or some elements are approached in a different order, but on the core requirements there is broad agreement (see box). The recent guidance from IISD proposed a somewhat difference process based on a quick and deep screen of NAMA options

1. Identification
2. Prioritisation
3. NAMA proposal detailing
4. MRV framework
5. Registration with UNFCCC
6. NAMA support/financing
7. Implementation
8. MRV reporting and adjustment

within a country, but is predominantly focused on generic steps 1, 2 (and some aspects of 3) presented here. The draft guidance of UNDP discusses a process of evaluation and verifications, but this is not reflected in their overall three stage process.

High-level guidance: nearly all guides could be considered as offering high level guidance on the different elements/steps they describe. For example a step is indicated as necessary with some description of why and how, but there is little in the way of detailed methodology. Some publications, such as the GIZ sourcebook (item 5 above), offer more detail on specific elements, but not across all aspects. Comparison can be made to the Technology Needs Assessment (TNA) Handbook[2] that walks practitioners through the individual steps of the process with detailed guidance (noting that this handbook took a number of years and iterations to produce and that TNAs are a more established and arguably less political topic).

Gaps in current guidance and tools

As noted above, nearly all of the elements seen in the majority of existing guides would benefit from additional detail and guidance in order to be of most use to developing country ministries and/or less experienced NAMA developers. Beyond this a number of gaps were observed during the process of summarising the various guides and tools:

- **Vision**: there is little said about the potential (or arguably, the need) for NAMAs to be transformational and what this could mean in practice for their development.

- **Private sector**: in general there is very little said about engaging the private sector, beyond involving them as stakeholders. The value of NAMAs for leveraging private sector finance and creating enabling environments for investment is not strongly emphasised, in general.

- **Prioritisation**: the importance of weighing mitigation aspects and co-benefits is a common thread, but in many guides there is little firm guidance on how to do this, beyond a reference in some publications of the value of MAC curves or multi-criteria analysis (MCA). The guides of IISD and UNDP provide the most detailed discussion of prioritisation. The development impact assessment (DIA) tool developed in the frame of the LEDS Global Partnership (mentioned by IISD) and the MCA4Climate initiative of UNEP could be interesting here.

- **Assessing co-benefits**: closely linked to the above point on prioritisation, there is little discussion of how to comprehensively assess co-benefits and cast these at the foreground of any analysis (which is relevant to the developing country context). It is likely that there are resources from the development community that could be adopted or used here.

- **Different terminology**: No common language on the different phases of NAMA development and, importantly, on the different documents needed. For example 'proposal' versus 'description document' versus 'concept study'.

- **Costing**: no detailed guidance on calculating costs of actions, grant components of soft loans etc. Although the discussion on incremental costs or some other approach is unlikely to be decided at the international level, more detail on how to calculate costs in general and use of existing resources could be made available.

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[2] http://unfccc.int/ttclear/jsp/TNAHandbook.jsp

- **Structuring finance**: little detailed discussion on how to combine different types (grants, soft loans, guarantees) or sources of support. Experience and examples could come from many existing multilateral development bank (e.g. SREP) and bilateral projects.

- **Combining policies**: many NAMAs may involve a number of policies or interventions, there is little detailed discussion on combining policy instruments within a NAMA.

- **Tested/agreed templates**: there are a small number of potential NAMA proposal templates available, but even these say little about the level of detail or rigour required. It could be useful to take existing templates and test them with potential donors for feedback on detail with the results and interviews widely published. If this was not possible it could also be based on existing project forms (for example for SREP applications or for ADB support etc). While the level of detail may differ depending on NAMA scale and the sector, such an exercise would still provide a useful insight for developing countries into the requirements of sources of support in terms of detail.

- **Implementation**: in general there is not much detail on how NAMAs can be managed and implemented by host countries, nor how to link to donor countries during operation, beyond MRV reports.

- **Capacity building and awareness raising**: mentioned in a number of guides, but could receive more detail and be considered as a core aspect of many NAMAs

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