

Potential and exemplar financial schemes for NAMAs

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Outline

1. NAMAs and Finance
 - international negotiation context-
2. Schemes that can be used for financing NAMAs
3. Important Note

1. NAMAs and Finance - international negotiation context-

COP decisions...

1/CP.12 1(b) (ii)

Developing country Parties will undertake nationally appropriate mitigation actions in the context of “sustainable development” enabled by technology, finance and capacity building support, in a measurable, reportable and verifiable manner

This part states on different kind of MRV, depending on finances only, but does not say what kind of finance NAMAs should use...

1/CP.16

61. Also decides that internationally supported mitigation actions will be measured, reported and verified domestically and will be subject to international measurement, reporting and verification in accordance with guidelines to be developed under the Convention

62. Further decides that domestically supported mitigation actions will be measured, reported and verified domestically in accordance with general guidelines to be developed under the Convention;

COP decisions... (continued)

1/CP.16

98. Recognizes that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries;

99. Agrees that, in accordance with paragraph 1(e) of the Bali Action Plan, funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

102. Decides to establish a Green Climate Fund, to be designated as an operating entity of the financial mechanism of the Convention under Article 11, with arrangements to be concluded between the Conference of the Parties and the Green Climate Fund to ensure that it is accountable to and functions under the guidance of the Conference of the Parties, to support projects, programmes, policies and other activities in developing country Parties using thematic funding windows;

Quotation from NAMA Registry Template

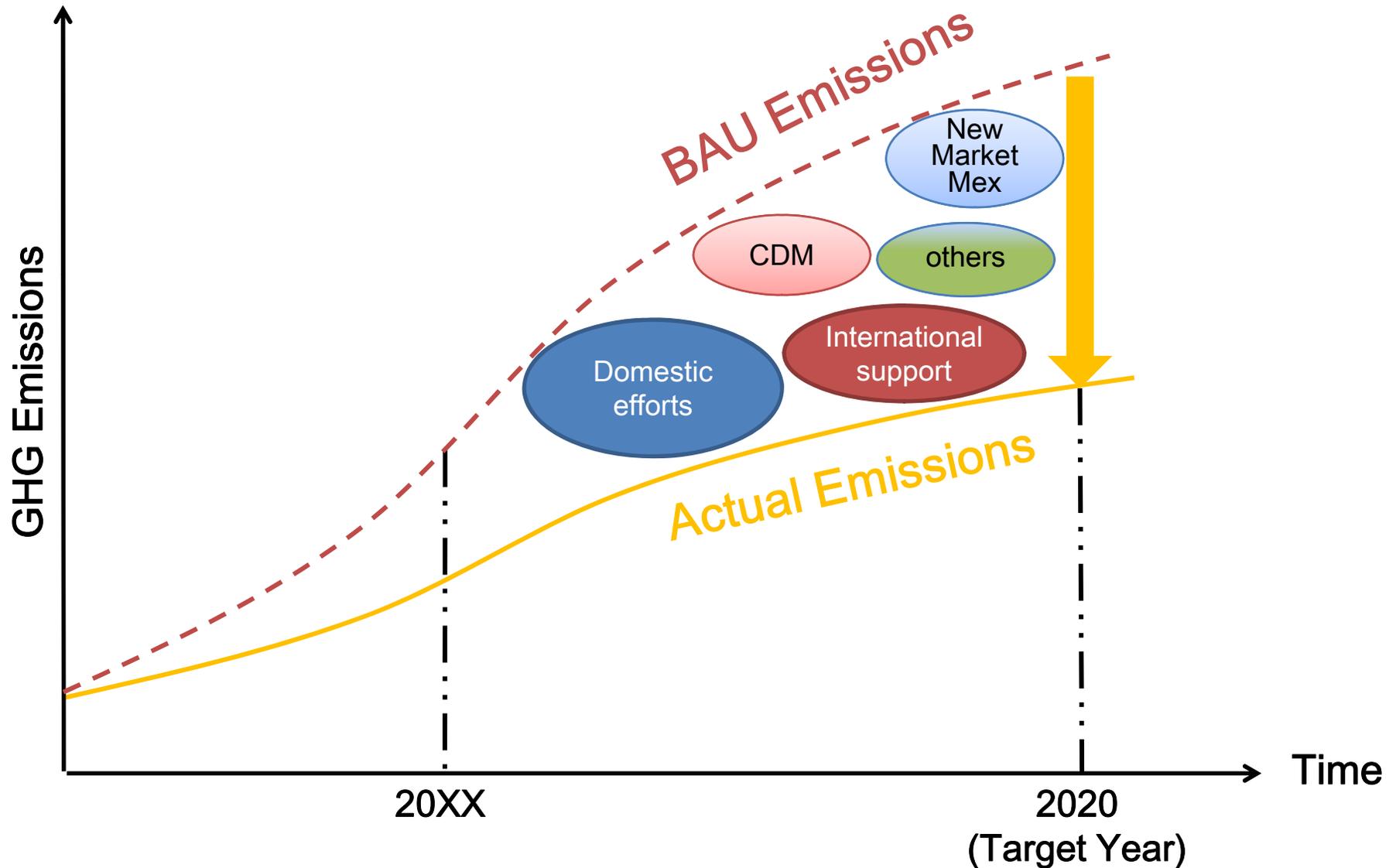
B.4.4 Email	<Pls enter Email Address here>	
C. Expected timeframe for the implementation of the mitigation action		
C.1 Number of years for completion	4	
C.2 Expected start year of implementation	2013	
D.1 Used Currency	Euro	
E Cost		
E.1 Estimated full cost of implementation	212,000,000.00	
E.2 Estimated incremental cost of implementation	0.00	
F Support required for the implementation of the mitigation action		
F.1.1 Amount of financial support	212,000,000	
F.1.2 Type of required financial support	<input checked="" type="checkbox"/> Loan (sovereign) <input type="checkbox"/> Loan (Private) <input type="checkbox"/> Concessional loan <input type="checkbox"/> Debt Swap <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Equity <input type="checkbox"/> Guarantee <input checked="" type="checkbox"/> Carbon finance <input type="checkbox"/> FDI <input type="checkbox"/> Others: under consideration	
F.1.3 Comments on Financial Support		
F.2.1 Amount of Technological Support	0.00	
F.2.2 Comments on Technological Support	<Pls enter Comments here>	
F.3.1 Amount of capacity building support	0.00	<input type="checkbox"/> \$ (Dollars)

Any kind of finance can be used for
NAMAs
(no restriction)

Quoted from Serbia's submission on NAMA "Introduction of metering system and billing on the basis of measured consumption in district heating systems in Serbia " (April 17, 2013)

2. Schemes that can be used for financing NAMAs

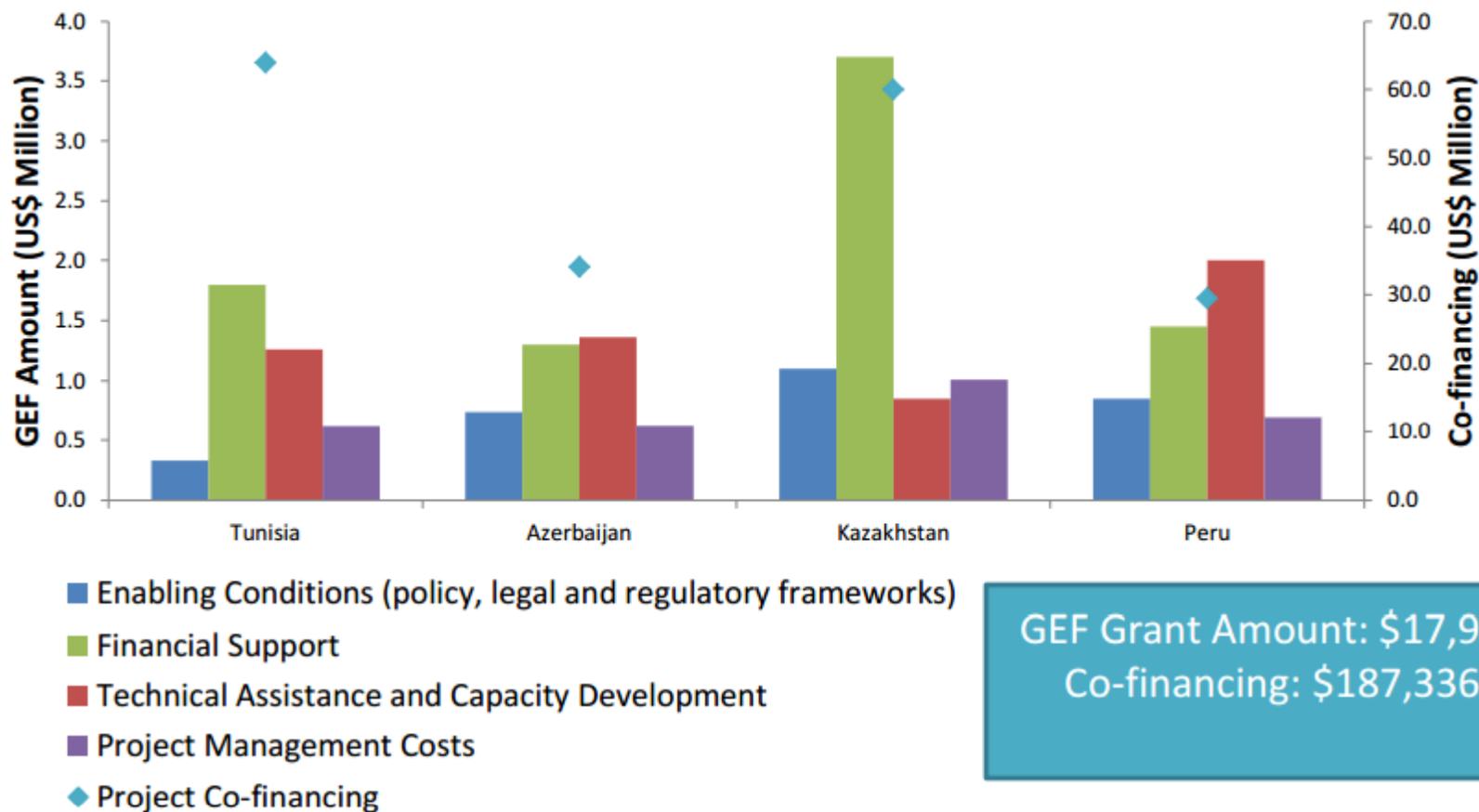
Illustration of mitigation actions in relation to BAU



NB. The above graphic does not include how accounting of GHG should be sorted out, in relation to offset mechanisms.

2. Schemes that can be used for financing NAMAs

GEF Finance disbursed for NAMAs



Quoted from GEF Presentation at UNFCCC NAMA Workshop in Singapore August 2013

2. Schemes that can be used for financing NAMAs

GEF Experience

Project Title	Energy Generation and End-Use Sectors in Peru
GEF Grant	\$4.5m (Co-financing: \$29.45m; UNDP)
Components	<ul style="list-style-type: none">● Establishment of national and sub-national GHG emission BAU reference baseline –MRV related● Establishment and validation of national voluntary emission reduction targets –MRV related● Completion of analyses for NAMA prioritization● Readiness of public and private sectors● Implementation of feasible NAMAs

NAMA Facility (Germany & UK)

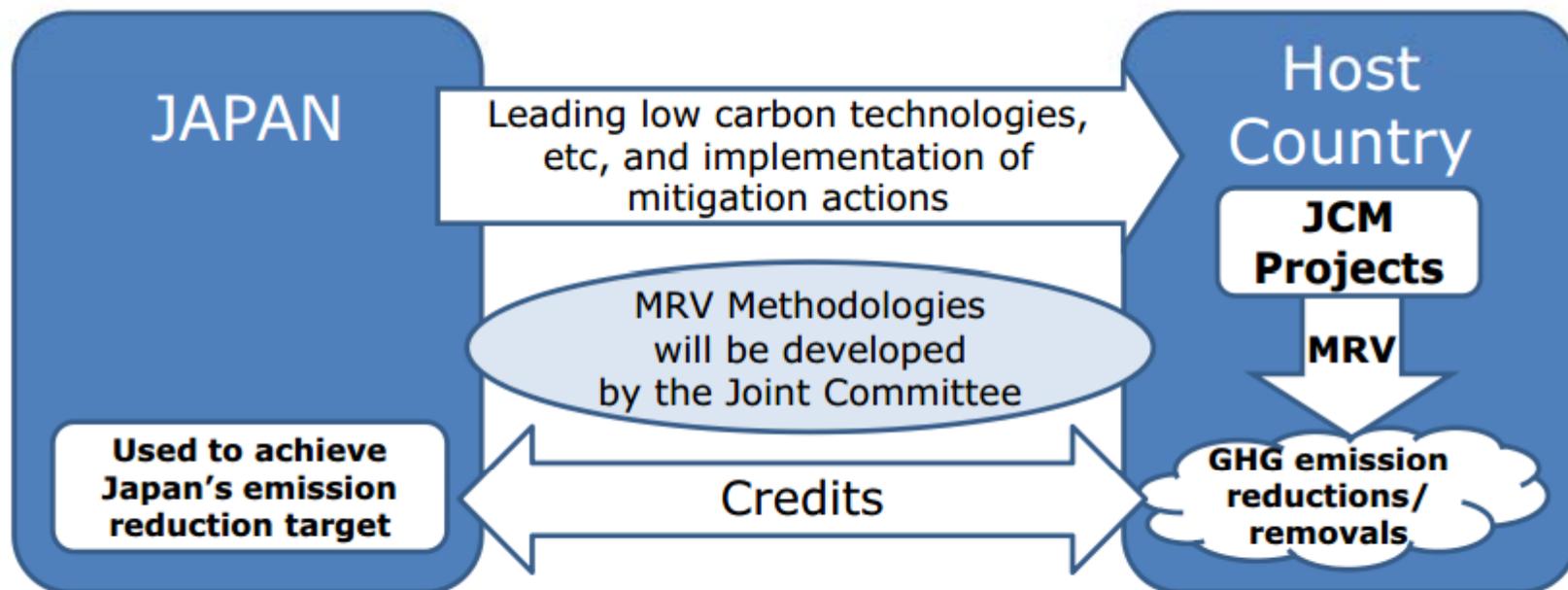
Support for the implementation of parts of NAMAs („NAMA Support Projects“) via the full range of development cooperation instruments:

- financial support instruments (grants, concessional loans and guarantees)
- and where closely aligned with financial instruments, technical cooperation instruments(e.g. capacity building)

2. Schemes that can be used for financing NAMAs

Joint Crediting Mechanism (JCM)

- Facilitating diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries.
- Appropriately evaluating contributions to GHG emission reductions or removals from Japan in a quantitative manner, by applying measurement, reporting and verification (MRV) methodologies, and use them to achieve Japan's emission reduction target.
- Contributing to the ultimate objective of the UNFCCC by facilitating global actions for GHG emission reductions or removals, complementing the CDM.



3. Important Note

What kind of information necessary for financing?

NAMA information in proper breakdown is necessary

- Responsible/Implementation agency (Who)
- Exact mitigation actions (What)
- Cost of action (How much)
- Kind of finance such as grant, loan, carbon finance etc (with What)
- Pre-FS or FS results
- Mitigation potentials etc....

Conclusion

1. In order to “implement” NAMAs with finance, it is important to have “breakdown” information, not only macro-level mitigation information
2. There is no limitation on what kind of finance that Non-Annex I parties should choose (what is there is the difference in measurement, reporting, verification --- just to follow their respective schematic requirements)
3. We should look for relevant finance (not necessarily “labeled” as NAMA only but also other finance such as “energy” or “transport”).