

## Lessons Learned 2014 – Financing the Implementation of NAMAs

Gaining experience and disseminating lessons learned are key functions of the NAMA Facility and contribute to its transformative character. The lessons presented here are derived from the NAMA Facility's first call for NAMA Support Projects. They have informed the revision of documents and processes for the second call and are a useful contribution to the debate on the development of the global climate finance architecture.

### General observations

In general, the availability of earmarked funding for NAMA implementation provided a strong stimulus to national governments and encouraged stakeholders to develop ambitious NAMAs. This led to an impressive project pipeline that is being developed across all regions and a variety of sectors. Complex sectors like transport and agriculture, which are not well-suited for the project-based mechanisms of the Kyoto Protocol (i.e. the Clean Development Mechanism and Joint Implementation), now appear to be effectively addressed by NAMAs.

### Lessons learned for the global NAMA project pipeline

The impressive number of NAMA Support Project Outlines submitted during the first call clearly indicates the need for additional funding for NAMA implementation. At the same time, a closer look at the project pipeline revealed that further measures to enhance NAMA readiness are also required. NAMA Support Project Outlines presented to the Facility during the first call were highly ambitious and were strongly supported by national governments. Nevertheless, many NAMA Support Project Outlines showed weaknesses with regard to their feasibility and require further development on the project structure and the financing concepts.

One challenge resulting from the project proposals received during the first call is how to ensure the early involvement of financial actors in project development, which is crucial for the structuring and in-depth preparation of financial support mechanisms. Adequately designed financial support mechanisms are key for strengthening the ambition and the transformational potential of a NAMA as they enable the national government to mobilise additional financial resources from different sources (private, national and international).

### Improving NAMA Facility processes

The first call for NAMA Support Project Outlines served as a valuable learning experience for the NAMA Facility. In preparation of the second call for NAMA Support Project Outlines, the processes and documents were revised based on the lessons learned; the revisions are described below:

- The General Information Document and the NAMA Support Project Outline template now provide more detailed information and guidance on the governance of the NAMA Facility, the selection process and criteria, and the means of support available. They provide information on the specifics of financial and technical cooperation, offer clarifications on the roles of the different actors involved in a NAMA Support Project, and provide more detailed guidance on how to prepare the outlines.
- The selection criteria on the overall eligibility, ambition and feasibility remain unchanged. Accordingly, the NAMA Facility continues to support the most ambitious and promising NAMA Support Projects without focusing on specific regions or sectors.
- The NAMA Facility project cycle is improved and the second call is open for a longer timespan than the first and therefore provides additional time for in-depth national consultation processes.



After the first call, the Technical Support Unit provided feedback on the evaluation of the NAMA Support Projects Outlines to national governments and delivery organisations. The feedback was broadly welcomed as being useful in providing bidders with valuable information on potential areas in which their NAMA Support Projects could be strengthened and in creating an opportunity to provide feedback on the NAMA Facility itself. Therefore, this practice will be continued for the second call.

### Conclusions and next steps

The NAMA Facility has received a high level of international attention, as it has shown that funding is available to support the implementation of country-led NAMAs. The establishment of a set of meaningful criteria for the selection of projects covering eligibility, ambition and feasibility contributed to this and enriches national NAMA debates.

Based on the lessons learned presented above, future NAMA initiatives are encouraged to emphasise a well-defined project structure and develop financial mechanisms to leverage additional public and private finance for low-carbon development paths. Those preparing NAMA readiness activities are encouraged to take financial actors on board as early as possible to allow for a better fit of the different requirements in project development to ensure bankability.

Gaining experience and disseminating knowledge form one continuous area of work of the NAMA Facility. In particular, it is one of the NAMA Facility's objectives to analyse the project pipeline and to disseminate lessons learned allowing for the development and improvement of a pipeline of ambitious, transformational NAMA Support Projects.

### Engage!

This is a joint exercise. Different views and perspectives enrich our understanding and strengthen the global learning experience. We would be interested to hear more about **your** lessons learned and experience in developing and implementing NAMAs as well as in working with the NAMA Facility. Please send us an e-mail and share your insight!

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