Ambition Initiative – Round Two: Clarifications and FAQs

NAMA Facility Webinar
23 March 2022
Welcome to this Webinar

- Thank you for your interest in the Ambition Initiative – Round Two of the NAMA Facility!

- **Goals for today:**
  - Provide an overview of the most common FAQs and clarification requests
  - Outline lessons learnt by sectors
  - Answer your questions and point to useful resources
Structure of the Webinar

1. Technical overview
2. Most common FAQs and clarification requests
3. Lessons learnt: transport, waste, EE, RE, AFOLU
4. Q&A
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Technical Overview

- Welcome to Microsoft Teams
- Fill out brief, anonymous survey (see chat)
- Control panel in the top right corner of your screen:
  1. You are muted automatically. Please don’t unmute.
  2. If you’re an attendee, please keep your camera off.
  3. Session is being recorded.
  4. Submit your Call related questions to contact@nama-facility.org or in the chat to be collected and answered after the webinar.
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Most Common FAQs & Clarification Requests

- 74 FAQs published under the Ambition Initiative – Round Two
- Four rounds of Clarification Notes to date
- 40 clarification questions answered
- Two more rounds of clarifications:
  - 30 March 2022 (Qs to be submitted by 27.3)
  - 20 April 2022 (Qs to be submitted by 17.4)

In line with our clarification policy, please submit your question in writing to contact@nama-facility.org or ask in the chat.
Most Common FAQs & Clarification Requests (1)

Country eligibility

- A country must be included in the OECD DAC list of recipient countries throughout the entire Implementation of the NSP.
- First updated or second NDC have been submitted to UNFCCC until the end of COP26 (13 November 2021).
- A country that has already received support from the NAMA Facility can participate in the Ambition Initiative - Round Two.
- An existence of a conflict and / or a tense security situation **will not** lead to an automatic exclusion of the NSP Outline / a country from participation in a Call, but security concerns might be considered during the NSP Outline assessment process.

Clarification Notes

- FAQ 12, FAQ 16, CN I-08 & 09, CN II-03
Most Common FAQs & Clarification Requests (2)

NDC Partnership (NDCP)

- Participation in NDCP is **not** a prerequisite for being eligible under the Ambition Initiative – Round Two.

- In case of established memberships, high level of NSP alignment with Partnership Plans expected.

- If sector is not yet covered by NDC Partnership Plan, but by country’s NDC, a lack of alignment acceptable.

- More information on participating countries: [website of NDC Partnership](#).

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Clarification Notes

- Clarification Notes: FAQ 14, CN III-02, CN IV-01
Most Common FAQs & Clarification Requests (3)

Financial leverage

- “Leveraged funds” are additional funds that will become available for investments in the NSP, that would not be spent on the same purpose in the absence of an NSP.

- No minimum ratio of leveraged funds to the NAMA Facility funding requested.

- In-kind contributions may be counted but greater weight is given to directly mobilised funds through public sector budgets, funds raised through taxes (and exemptions), grants, loans, guarantees etc.

- Mobilisation of funding from the private sector is **not** mandatory, but it is seen as an essential aspect for triggering the transformational change towards a carbon-neutral development pathway.

Clarification Notes

- Clarification Notes: FAQ 40, FAQ 43, CN I-06, CN I-13
Piloting novel technologies

- Focus on innovation and novel technologies is **not** mandatory.

- Piloting of mature technologies in a new setting / context would **not** be considered as innovative!

- Timeline for transition from pilot to larger scale project not defined, but shift to be accomplished within NSP’s lifetime.

- Achievement of predefined and agreed milestones is a prerequisite before moving to the larger-scale project.

- Narrative of Outline, including Annexes, is to focus on a pilot phase and a larger scale project. Budget (Outline section 4) to be indicated for both phases.
Highlighted Resources from the NAMA Facility Website

**Central Documents**
- Application Documents & Ambition Initiative – Round Two General Information Document
- M&E Framework

**Webinars**
- 7th Call NSP Outline Development
- NAMA Facility Podcast: Introduction to Annex 6 – GHG Mitigation Potential
- Financial Mechanisms and the NAMA Support Project
- NAMA Facility Podcast: Introduction to Annex 5a – Financial Mechanism

**Further Information**
- Ambition Initiative – Round Two Clarifications and FAQ
- Transformational Change Working Definition
- Sustainable Development Co-benefits in the NAMA Facility
- 10 Things about the NAMA Facility You Always Wanted to Know – but Never Dared to Ask!
- Do’s and Don’ts Before You Submit Your NSP Outline
- Fictional NSP Outline “Towards Carbon-Neutral Totinia Now!”
What’s Next?

Upcoming clarifications:
30 March 2022
20 April 2022

- NAMA Facility website: dedicated page for the Ambition Initiative – Round Two
- Contact the Technical Support Unit at contact@nama-facility.org
- Follow us on Twitter (@NAMAFacility) or join our LinkedIn group

Please remember that the deadline for submitting NSP Outlines under Ambition Initiative – Round Two is 30 April 2022, 3pm (CEST)
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Lessons Learnt: Transport (1)

- Stakeholder consultations and involvement of municipalities are needed to understand needs and interests of both public and private actors and form a clear sectoral overview.

- Complex webs of stakeholders require planning and stakeholder buy-in.

- Coordination among ministries is essential to align policies: investments can have the potential to conflict.

- Transport initiatives are long-term infrastructure projects, and have long preparation timelines, so plan realistically.

- Don’t forget about displacement and the informal economy.
Lessons Learnt: Transport (2)

- Transport projects often long-lasting – bulk of the mitigation potential can lie beyond NSP:
  - Make sure to highlight NSP mitigation potential within the NSP lifetime.

- Regarding e-mobility programmes:
  - Infrastructure, such as charging stations, is crucial.
  - The full lifecycle of EVs should be considered, scrappage of old vehicles important for direct mitigation impacts.
  - When designing the financial mechanism, consider carefully whether subsidies are necessary – it might be sufficient if the government reduces import tariffs on e-vehicles.
  - Assumptions with regard to price parity are essential.
  - Communication/awareness is also important; taxis and public vehicles can play an important role.
Lessons Learnt: Waste (1)

- The waste management hierarchy remains a guiding principle:
  - Focus on holistic solutions including upstream activities.
  - Pure “end-of-pipe” measures (e.g., landfill) have limited transformational potential.

- Sustainability of a financing model to ensure cost coverage is critical.

- Information is needed on the composition and quantification of waste streams.
Lessons Learnt: Waste (2)

- Social aspects / inclusion of the informal sector workers such as waste pickers, recyclers, among others, should be considered.

- The timescale should adequately address site selection, permits and licenses, environmental and social impact assessments and public procurement.

- Don’t forget about the risk of displacement and proper measures for dumpsites remediation.

- Allow for a sufficient time to trigger behavioral change (e.g. waste segregation at a household level).
Lessons Learnt: Energy Efficiency (1)

Appliances and other hardware

- Simple, one-time replacement schemes would not be sufficient to ensure transformational change.

- NAMA Facility would look for an NSP embedded in a sector strategy.

- Don’t forget about rebound effects: scrappage schemes must remove old devices from the market and be described in detail according to the local context.

- Identify potential market distortions.

- If appliance already on the market, target incremental costs – not the complete investment cost.

- Potential to consider adjacent sectors to current NSPs.
Lessons Learnt: Energy Efficiency (2)

Buildings

- Holistic “whole building approach” instead of just low-hanging fruits.
  - Consider and describe: the quality, safety and performance of equipment.
  - For example, consider flammability of housing insulation, building resilience in earthquake areas, etc.

- For new housing: integrate issues of urban planning (i.e., require concept for social infrastructure and public transport).

- Ensure that the GHG emission calculations pertaining to new housing developments consider rebound effects such as construction of large road systems, addition of more vehicles to the area, etc.

- Owner/user dilemma needs to be considered - if the interests are not aligned, this raises questions of cost/benefit sharing.

- Consider different climate zones when designing housing interventions.
Lessons Learnt: Renewable Energy (1)

- Show how the NSP triggers a sectoral change instead of simply financing a single or a few projects.

- The technological solution should be analysed with regard to alternatives in terms of CAPEX, ownership and operation, OPEX, availability of other resources (water, biomass, wind).

- When designing, focus on renewable energy development – not simply electricity access.

- Analyse effect of fossil fuel subsidies and other relevant regulations, such as national energy tariffs etc.
Lessons Learnt: Renewable Energy (2)

- Some comments on mini-grids:
  - Geographical spread of connected households and businesses is a key cost factor.
  - Ability (and willingness) to pay of the target group must be demonstrated.
  - Anchor clients should be identified even at outline stage.
  - GHG mitigation potential tends to be rather low.
Lessons Learnt: AFOLU (1)

- The design of AFOLU interventions should be user-centric and based on a participatory engagement during the design phase.

- AFOLU interventions heavily rely on the target group’s long-term adoption of climate friendly activities:
  - Behavioural change must be appropriately emphasized in the NSP design.

- Clearly define the target group and any potential different sub-groups.

- It is recommended to work with relevant associations.

- Consider several factors that could affect timelines (e.g. alignment of production cycles, pilots, behavioral change, securing buy in of stakeholders, etc.).
Lessons Learnt: AFOLU (2)

- Identify the FIs offering suitable financial mechanisms considering production cycles, risks and cashflow challenges, potential lack of collateral.

- Due to the financial barriers often exhibited in the AFOLU sector it is recommended to consider:
  - Set ups which can facilitate financial leverage via innovative forms of private sector engagement (e.g. use of remittances, savings book approach, micro financing, amongst others).
  - Building on existing structures to facilitate the uptake of financial mechanisms.

- Labeling and certification: provide rationale, consider timing and ensure realistic assumptions. If possible, make sure to build over existing structures.

- Be realistic about timelines!
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We look forward to receiving your applications.