

TECHNICAL ASSISTANCE TO ENABLE BANKABLE NAMAS



Leila Yim Surratt, Chief Operating Officer

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CENTER FOR CLEAN AIR POLICY

A Think Tank that Does

- Acid Rain Legislation
- Pioneered JI mechanism with Czech Republic CHP project
- Early design and promotion of NAMA concept
- In country work promoting transformational projects

Analyze. Engage. Innovate.

- Technical, Policy, and Economic Analyses
- Publications and Outreach
- Multi-Stakeholder Partnerships and Dialogues
- Innovative Solutions and Recommendations
- Execution

REPORT:
EXPANDING THE SOLUTION SET:
HOW COMBINED HEAT AND POWER CAN SUPPORT COMPLIANCE WITH 111(d) STANDARDS FOR EXISTING POWER PLANTS

WRITTEN BY
Stacey Davis and Thomas Simchak



POLICY PAPER:
CONVERTING INTENDED NATIONALLY DETERMINED CONTRIBUTIONS INTO ACTION

WRITTEN BY
Fred Fickie
Laurenca Stanford
Manish Patel
Dimitris Katsis
Patrick Czajka



CCAP
CENTER FOR CLEAN AIR POLICY

Dialogue, Insight, Innovation



CCAP SUPPORTS
DEVELOPING COUNTRIES IN DESIGNING TRANSFORMATIONAL NAMAS

TRANSIT-ORIENTED DEVELOPMENT
Facilitates efficient transit-oriented development in Colombia.
Includes an in-depth cost-benefit analysis, development of policies, input on quality of life and economic and social development, and a program of technical assistance to support public transit systems.

SOLID WASTE MANAGEMENT
Reduces emissions, while from waste economy while reducing GHG emissions.
• Cost-effective solid waste management
• Supports private investment through public-private partnerships
• Encourages the use of waste-to-energy technology through regulatory reform

RENEWABLE ENERGY PRICING
Encourages the development of cost-competitive renewable energy sources.
• Provides 100% cost coverage for every kWh of electricity.
• Encourages private investment in renewable energy through long-term, transparent contracts.

PROGRAM OBJECTIVES
• Increase transparency, accessibility of climate programs to design and implement and build capacity through dialogue
• Provide on-the-ground support in developing countries to design specific, tailored and cost-effective climate policies and develop financing mechanisms for other financing sources
• Support climate change research and analysis effective financial mechanisms that can leverage private sector and attract additional development finance and create sector leadership

KEY ELEMENTS TO A NAMA

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MAY 2014 Dialogue, Insight, Solutions

THE ROAD TO NAMAS
GLOBAL STORIES OF SUCCESSFUL CLIMATE ACTIONS

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CCAP'S MITIGATION ACTION IMPLEMENTATION NETWORK (MAIN) -- MOBILIZING ACTION

Goals:

Create networks of policymakers involved in NAMAs in Asia and Latin America

Build capacity to develop bankable NAMAs

Facilitate financing for early NAMAs

Help countries go from NAMA's to INDC's to NDC's

Components:

1. Regional dialogues of policymakers, experts, potential funders
2. Harvesting of best practices, case studies, policy solutions
4. Support for NAMA design, enabling policies, accessing financing
5. Bring MAIN countries input into UNFCCC, GCF, and other institutions

Supported by:



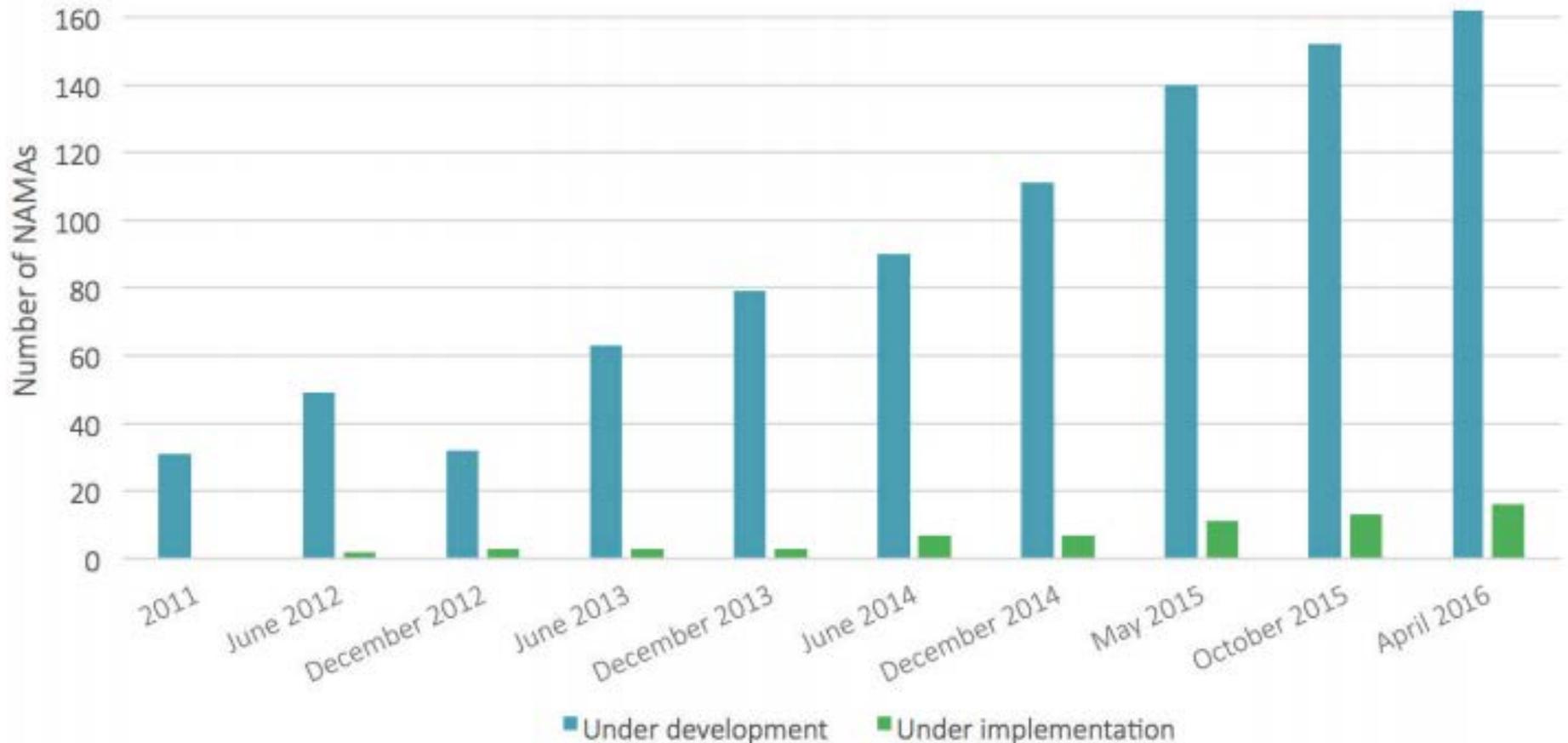
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

based on a decision of the Parliament of the Federal Republic of Germany



DANISH MINISTRY OF CLIMATE, ENERGY AND BUILDING

NAMA DEVELOPMENT IS ON THE RISE, BUT THERE IS AN “IMPLEMENTATION GAP”

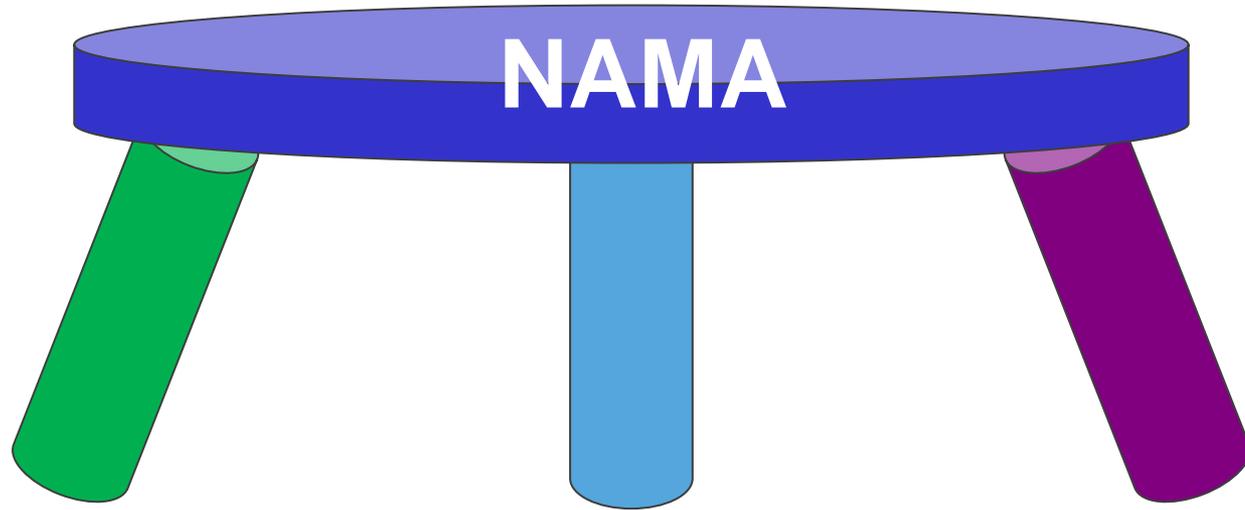


CHALLENGES AND OPPORTUNITIES FOR NAMA FINANCING

- Many NAMAs under development don't fully address factors that will attract private investment
 - Well-defined financing mechanism
 - Host country contribution
 - Clear, long-term policy trajectory
- At the same time, there is growing interest by the private sector in low-carbon investment
 - Actively engaged in Paris
 - 150+ companies announced targets and pledges
- Closing the “implementation gap” will require a pipeline of bankable NAMAs...



WHAT IS A BANKABLE NAMA?



Policy and institutional change

Government
commitment

Financial mechanisms

Address financial
barriers to private
investment

Project pipeline

Identify portfolio of
projects to attract
financing at scale

EXAMPLE: COLOMBIA WASTE NAMA

Policy and institutional change

- Tariff reform offers tipping fees for recycling and alternative treatment
- Recycling surcharge raises resources for alternative technologies
- Inter-agency board selects local projects for funding

Financial mechanisms

- Equity fund to provide affordable equity capital for advanced waste management projects

Project pipeline identification

- 14 municipal projects at various stages of development

TECHNICAL ASSISTANCE TO DEVELOP THE COLOMBIA WASTE NAMA

- **Multiple funders** for different aspects of the project (Environment Canada, Germany BMUB, Climate and Clean Air Coalition, USAID)
- **Progress occurred over several years**, with its ups and downs
- The availability of **donor funding brought stakeholders to the table** and prompted NAMA development
- Now seeking funding to engage municipalities, conduct feasibility studies, and pursue implementation funding.

EXAMPLE: PHILIPPINES DISTRIBUTED RE NAMA

Policy and institutional change

- Net Metering rate revision
- Streamlining interconnection standards & permitting process
- Technology certification and vendor accreditation

Financial mechanisms

- Credit Guarantee Fund
- Technical assistance to local banks to develop standardized products and for project evaluation

Project pipeline identification

- Work with developers and vendors on project identification

TECHNICAL ASSISTANCE TO DEVELOP PHILIPPINES DISTRIBUTED RE NAMA

- **Multiple funders:** Germany BMUB, Denmark Ministry of Energy, Utilities & Climate
- **Engagement with 1 potential donor facility:** good, detailed feedback from the NAMA Facility to improve program
- **Outreach required to engage the financial delivery organization**

WHAT KIND OF TECHNICAL ASSISTANCE IS NEEDED?



Stakeholder engagement

- **Early project development:** identifying key stakeholders and champions, initial scoping, concept note
- **Full project development:**
 - Policy design: analyses, key barriers, policy and incentive design
 - Financial mechanism design: financial analyses, key barriers, design of appropriate tools.
 - Pipeline development: initial strategic investments for short-term implementation, larger portfolio
- **Preparation of funding proposal:** identifying target funding source and ensuring compliance with all of their requirements

QUESTIONS FOR DISCUSSION

- What is your view of what constitutes a “bankable” NAMA?
- How can technical assistance speed NAMA development and presentation to the NAMA Facility and other funders?
- What type of technical assistance is needed to support the development of a bankable, financeable NAMA?
- Should we target NAMA technical support and financial assistance around certain cost-effective, low-carbon solutions (e.g., (for example renewable energy, energy efficiency, electric vehicles)?
- To what extent can/should donors link technical assistance with some assurance of implementation funding?

THANK YOU

For more information,
please visit us at
www.ccap.org.