

A photograph of several white wind turbines against a blue sky with scattered white clouds. The turbines are positioned on the left side of the slide, with the largest one in the foreground and others receding into the distance.

Leveraging grant finance to drive NAMA implementation

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Session overview

- Financial instruments to leverage and where appropriate, blend grant financing, concessional loans, guarantees, and NAMA equity funds;
- Role to be played by co-financing;
- Effective coordination of technical support at a national level to facilitate NAMA implementation is key. Appropriate organisational structures in host countries to deliver NAMA implementation, including the role of national financial institutions;

Initial Comments

- While public finance can play a critical role in mobilising climate finance, the heavy lifting will be done by the private sector. Leveraging is key.
- CPI states an estimated USD 1.5 billion of public funds are channelled through climate related risk management instruments such as credit guarantees, political risk insurance and contingency recovery grants.
- This excludes officially supported export credit risk guarantees to renewable energy est. by the OECD at USD 2.6 billion globally in 2013.
- Concessional loans, the most common form of public support, offer more than cheap and longer term financing.
- When blended with (international) technical assistance, loans can play a catalytic role in the establishment of policy frameworks, strengthening of institutional capacity, lowering investment costs and reducing investment risks for first mover projects. There will be an important contribution from domestic sources also.
- The NAMA Facility has for example intended to contribute up to EUR 15-20 for NAMA Support Projects to catalyse national scale NAMAs.

Discussion Points

- Which instruments/combination of instruments offer the best leverage ratios? Discussion of NAMA-specific examples.
- What opportunities exist to integrate financial packages, deploy and scale these up (e.g. role of GCF)?
- How can technical support be best coordinated at a national level to facilitate NAMA implementation using a limited amount of grant funding? What are the appropriate organisational structures in host countries to deliver NAMA implementation, including the role of national financial institutions; what lessons have we learnt to date?

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