



Key criteria for selecting nationally appropriate mitigation actions for international support

Fact sheet # 4

June 2015

Background

Nationally appropriate mitigation actions (NAMAs) refer to a variety of actions led by national governments that help to reduce emissions in developing countries in the overall context of sustainable development. NAMAs, therefore, may take different forms, ranging from small individual projects, to national/sectoral policies, programmes or strategies, to broader national/sectoral goals. The concept of NAMAs was first introduced in the Bali Action Plan at the United Nations Climate Change Conference in Bali in December 2007. NAMAs, supported and enabled by technology, financing and capacity building, intend to achieve a reduction in emissions relative to 'business-as-usual' emissions by 2020. In response to a call made by the Conference of Parties (COP) to the UNFCCC for developing countries to undertake NAMAs, some countries demonstrated leadership and rapid progress in designing and implementing NAMAs using their own resources, while other countries received international support. As of June 2015, the [NAMA Registry](#), a publicly available online platform managed by the UNFCCC, contained information on 88 NAMAs with 38 seeking support for preparation, 43 seeking support for implementation and 7 seeking recognition. [The NAMA database](#), an open access wiki that compiles publicly

available information for all supported NAMAs, contains information on 148 NAMAs in 42 countries and 29 feasibility studies.

Required support for implementing mitigation actions in developing countries

The capacity of developing countries to implement actions aimed at the reduction of greenhouse gas (GHG) emissions varies enormously. Most countries require additional financial, technical and capacity-building assistance to lower emissions and to follow a more sustainable development path. This includes the identification of mitigation potential, as well as concrete planning for implementing projects or policies. Therefore, developed country Parties and other entities, like multilateral, bilateral and other public donors, as well as private and non-governmental organizations, are invited to provide support. This can be accomplished through the provision of grants, loans or guarantees, technical assistance or capacity-building activities. Until now, many developed country Parties and international organizations have supported mitigation actions in this context. However, despite a growing interest in NAMAs, a significant gap exists between required and available support for both the preparation and implementation of mitigation actions.

Support sources recorded under the UNFCCC NAMA Registry

As of June 2015, the UNFCCC NAMA Registry had listed 16 sources for support, including from developed country Parties, development banks and international support organizations (bilateral and multilateral). Of those, 12 provide support for the preparation of NAMAs, three provide support on implementation, and one is designed for both the preparation and implementation of NAMAs. The specific criteria for and rules of accessing support for each entity registered can be reviewed in [the NAMA Registry](#).

Out of nine NAMA entries listed under support provided/received, six received financial support, two received capacity-building support and one received technological support. The scale and scope of the successfully-supported NAMAs within the Registry range from sustainable urban development projects for cities to low-carbon concepts in the agricultural sector. All NAMA proposals with a description of specific mitigation actions can be found [online](#).

Criteria to evaluate mitigation actions for support

Several developing countries are keen to better understand how to best design their NAMAs in a way that makes them eligible and attractive for receiving international support. This is crucial as the supporting developed country Parties and agencies are also looking to contribute to or invest in the most promising NAMAs to achieve maximum results with limited funding.

No globally agreed set of criteria exists for selecting NAMAs for international support. However, the analysis of criteria adopted by various supporting developed country Parties and agencies shows that some criteria seem to play a more prominent role in their decision making. For example, support is more likely to be provided if a NAMA's objectives and interventions are in line with the objectives and priorities of supporting countries and entities. A well-designed, informative and coherent NAMA proposal has a better chance of receiving support if some of the key criteria analysed in the following section are considered during the preparation phase.

Figure 1 illustrates the main key support criteria, which are further described below. Please note that this list is not exclusive and the criteria are

GHG reduction potential

Any mitigation action should aim to achieve a significant reduction in GHG emissions by targeting key emission sources/sectors. A coherent estimate of GHG reduction potential for the short and long term makes it easier for supporting Parties and entities to identify the overall mitigation potential of the NAMA. They may use emission reduction estimates to assess the cost effectiveness of the investment in question, and may favour those NAMAs that achieve ambitious GHG reductions in a cost-effective manner. A [NAMA in Mexico](#) offers a good case study on estimating and presenting adequate information on mitigation potential.

Sustainable development co-benefits

Beyond the direct and indirect impacts of GHG reductions, NAMAs may result in significant sustainable development co-benefits, such as improved livelihoods (better transportation systems, health improvements), enhanced food

not presented in any particular order of importance. In addition, each of the supporting Parties and entities may consider the different criteria with varying degrees of emphasis in their assessment procedure. However, the figure provides an overview of criteria that should be taken into account for successful NAMA preparation and implementation.

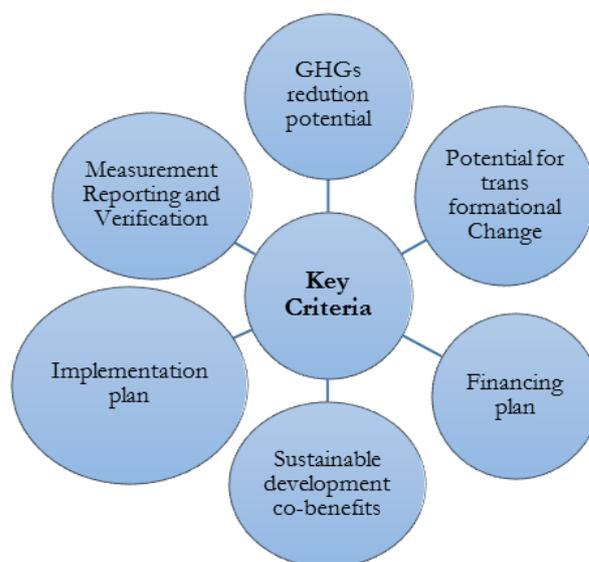


Figure 1: Key criteria used for selecting NAMAs for support

security (due to a more sustainable agricultural sector), improved air or water quality (through less environmental pollution), sustainable economic development (through more job creations), access to energy, resource conservation and so on. More generally, co-benefits also carry the potential of a paradigm shift, which includes increased learning potential, strengthening of enabling environments and support of a more climate-resilient development pathway (See also this [UNEP publication](#) on the evaluation of potential co-benefits). NAMAs that incorporate these co-benefits are more likely to advance national development goals, garner political support and result in buy-in from relevant government agencies. NAMAs that move beyond the primarily GHG-oriented mindset by integrating sustainable development elements will attract international support, as well as ensure country ownership and long-term sustainability of NAMA implementation.

Potential for transformational change

A common characteristic of NAMAs should be their contribution to the broader transformational change of a sector directly or the possibility for such a change in the long term. Almost all supporting entities analyse the NAMA concept for being innovative, replicable, catalytic and containing a learning potential. In other words, a NAMA should go beyond individual, stand-alone projects and be embedded in a broader national strategy. Therefore, NAMA support is often linked to major steps toward a low-carbon development paradigm. Though the concept of transformational change towards sustainable development is still relatively new and will likely be adjusted as knowledge evolves, a NAMA can have the potential for transformational change if the proposed actions lead to a general change in behavior or in the structures of the targeted sector while sustaining economic growth. A [factsheet](#) by the NAMA Facility provides a good overview of the concept of transformational change.

Financial plan

An integrated financing plan is another important criterion likely to determine the attractiveness of NAMAs. Supporting Parties and entities will be more interested in funding those NAMAs whose funds will be managed and used in an effective and efficient manner. At the same time, they should be able to cost-effectively leverage national public funds, private sector finance and other international public funds. A [practitioner's guide](#) by the International Institute for Sustainable Development (IISD) provides a useful methodology and best practice examples of financial planning. In addition, this Center for Clean Air Policy (CCAP) [publication](#) describes a variety of financial instruments being incorporated into programmes to leverage donor funding. [The Landscape of Climate Finance](#) is a comprehensive inventory of relevant available climate finance.

Implementation plan

Since NAMAs are by nature voluntary, national initiatives, national ownership and robust implementation plans are key criteria for obtaining international support. Successful NAMA preparation must be developed domestically

based on national needs assessments and requires national capacity for implementation, as well as mutual cooperation within the country's governance system. In the end, a national government should show its commitment to the action irrespective of any potential support it may receive. Therefore, a strong relation to national strategies and national climate policies, as well as coherence with existing programmes and initiatives, is highly recommended. NAMAs must be country-driven initiatives resulting from a participatory and bottom-up stakeholder process, which builds on existing action to avoid duplication. They must be endorsed by the national government to demonstrate in-country capacity for implementation. A UNEP [publication](#) provides a wealth of case studies of successfully implemented country-driven NAMAs. A good example of a country-driven NAMA is provided in this JICA [report](#) as well.

Measurement, reporting and verification (MRV)

The supporting Parties and entities seek the certainty and assurance that the supported actions have achieved the intended results in the manner that has been proposed and planned. In this context, an appropriate measurement, reporting and verification (MRV) system with performance milestones and metrics are essential to assess and demonstrate the effectiveness of the actions. The MRV system helps to track progress on achieving the intended GHG and non-GHG results (sustainable development co-benefits). Although a formal MRV framework for NAMAs has yet to be defined, any mitigation action should be subject to MRV. The GIZ [Stock Taking Tool](#) is an analytical tool that enables countries to identify prioritized action for national MRV systems. Another [publication](#) is based on lessons learned from MRV in other countries, while this [primer](#) provides a comprehensive overview of MRV for NAMAs.



Table 1: Key criteria and associated indicators for selecting NAMAs for support

GHG reduction potential	
1	Aims to achieve significant reductions in GHG emissions by targeting key emission sources/sectors
2	Has a broad scope aimed at transforming the emissions trajectory of an entire sector or a large portion of a country's economy
3	Provides estimates for expected reductions in direct GHG emissions by specifying underlying assumptions, methodologies and calculations
4	Explains how indirect mitigation effects will be achieved and clarifies underlying assumptions, methodologies and calculations
5	Avoids double-counting of emission reductions
Sustainable development co-benefits	
1	Contributes to achieving sustainable development goals or other national development objectives
2	Explicitly mentions which sustainable development co-benefits will be achieved, focusing on social, economic, environmental and institutional co-benefits, and clarifies underlying assumptions and methodologies for their assessment and evaluation
Potential for transformational change	
1	Adopts an innovative approach to reducing emissions
2	Possesses a high potential for replication in other regions, sectors, countries or internationally
3	Envisages a scaling up to the national or regional level
4	Catalyses participation of the private sector and other stakeholders in low-carbon investment
5	Contributes to a paradigm shift in emission levels in the targeted sector by changing the prevailing structures and systems and offering learning opportunities
6	Strengthens institutional capacities of the national system to achieve impacts beyond the project's scope
7	Contributes to leading the country towards a low-emission and climate-resilient development pathway
Measurement, reporting and verification	
1	Contains established systems for regular tracking of GHG emissions and sustainable development co-benefits
2	Includes underlying assumptions, methods and calculations for quantifying direct, indirect, long-term emission reductions and sustainable development co-benefits
3	Ensures adequate financial and human resources for undertaking MRV
4	Establishes a quality check and assurance process
5	Includes regular reporting on the progress of GHG emission reductions and sustainable development co-benefits
6	Ensures independent experts/institutions to verify the accuracy and quality of the reported information

Table 1: Key criteria (contd.)

Financial plan	
1	Contains a reasonable financial budget calculation and provides proper justification regarding why international funds are needed. Requests for funding a portion of the “incremental costs” of an action may be preferred by the supporting Parties and entities
2	Achieves maximum impact for investment/funding compared to other investment opportunities
3	Ensures a sustainable financing scheme, including contributions from national budgets, as well as private and other international donors
4	Designs a financial mechanism that aims to have a catalytic impact in overcoming policy, market, financial or technological barriers
5	Contains a flexible financial mechanism to adapt to the financial sector’s demands
6	Involves financial actors, especially development banks and commercial financial sectors, early enough and takes into account their requirements while designing the financing mechanism
7	Leverages private sector finance by removing barriers that hinder private sector investment in mitigation activities
8	Avoids duplicating efforts, funding similar actions and double counting emission reductions
9	Encourages financial contributions from other international public funding sources
10	Incorporates a plan for phasing out international/public funds
Implementation plan	
1	Provides a clear description of actions, including intended scope and boundaries
2	Incorporates a diverse set of interventions (including policies and financial mechanisms) developed from a thorough analysis of barriers
3	Contains a clear implementation plan (including NAMA components, implementing agencies, time frame, and potential risks and barriers, as well as ways to overcome them)
4	Receives the full endorsement of the national ministry responsible for climate change and/or of the relevant sector ministry or agency
5	Aligns with existing low-emission development strategies, national environment and climate strategies, countries’ sectoral development plans and national priorities
6	Receives high-level political support and ownership (commitment to mobilizing the national budget for actions, political champions, etc.)
7	Contains a participatory stakeholder consultation process involving key stakeholders at the national, sub-national and local levels, and demonstrates their buy-in
8	Provides evidences of inter-ministerial coordination and involvement
9	Demonstrates the ability of the government and relevant agencies to successfully implement the actions and overcome barriers
10	Assures full institutionalization to ensure the sustainability of the actions and permanence

Conclusion

A country seeking support for implementing its mitigation actions should first and foremost formulate and develop a NAMA in accordance with its own development interests, priorities and existing domestic plans and policies. Furthermore, it should also take into consideration the different requirements and criteria of supporting entities that provide financial, technical or capacity-building support. This factsheet has outlined some key criteria for support and offered further sources of information that might enable interested Parties or agencies to deepen their understanding of potential requirements in the world of NAMA funding.

References and further readings

- CCAP (2014): Using Financial Mechanisms in the Development of NAMAS:** <http://ccap.org/assets/CCAP-NAMA-Case-Studies-of-Financial-Instruments-9-19-20141.pdf>
- CPI (2014): The Global Landscape of Climate Finance 2014:** <http://climatepolicyinitiative.org/our-work/publications/>
- Ecofys (2013): Elements and Options for National MRV Systems:** http://mitigationpartnership.net/sites/default/files/mrv_knowledge_product_130830.pdf
- GIZ (2014): Stock Taking Tool:** <http://mitigationpartnership.net/giz-2014-stock-taking-tool>
- IISD (2013): Developing Financeable NAMAs - A Practitioner's Guide:** https://www.iisd.org/sites/default/files/pdf/2013/developing_financeable_namas.pdf
- JICA (2012): NAMA Development Guideline of the Republic of Serbia:** http://unfccc.int/files/cooperation_support/nama/application/pdf/nama_development_guideline_en.pdf
- NAMA database:** http://www.nama-database.org/index.php/Main_Page
- NAMA Facility (2014): Potential for Transformational Change:** <http://www.nama-facility.org/publications.html>
- OECC (2015): The NAMA Guidebook:** http://www.mtnforum.org/sites/default/files/publication/files/nama_guidebook.pdf
- UNDP, UNEP, UNFCCC (2013): Guidance for NAMA Design:** http://www.lowemissiondevelopment.org/docs/resources/Guidance_for_NAMA_Design_2013_.pdf
- UNEP, UNDP (2011): Measuring Reporting Verifying - A Primer on MRV for NAMAs:** http://namapipeline.org/Publications/MRV_PrimerNationallyAppropriateMitigationActions.pdf
- UNFCCC NAMA registry:** <http://www4.unfccc.int/sites/nama/SitePages/SupportedNAMAs.aspx>

This factsheet is produced by the NAMA and Registry Unit of the Non-Annex I Support Sub-Programme of the Mitigation, Data and Analysis Programme (MDA) of the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat. This factsheet provides an overview of the various requirements and focus areas of support entities in order to enable the NAMA host country to design eligible and attractive NAMAs for receiving international support. For any queries or assistance related to the NAMA Registry, please contact: NAMA-registry@unfccc.int or NAMA-support@unfccc.int

To read more stories about how developing countries, often with international support, are lowering global emissions, creating jobs, improving living conditions and preparing for a low-emissions world, please visit:

<http://www4.unfccc.int/sites/nama/SitePages/Home.aspx>
<http://namanews.org/news/>
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