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Overcoming Challenges in Preparation and Implementation of NAMAs

**African Regional Workshop on “Converting INDCs into Action:
The Role of NAMAs in INDC Implementation”**

Addis Ababa, 2-4 May 2016

Presentation Outline



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- From Strategy to Preparation – the Pre-Preparation stage
- How do we define NAMA preparation?
- Success factors in preparation of NAMAs – examples from Kenya, Gambia, Namibia and Ghana
- Challenges and solutions – Insights from Kenya
- How do we define NAMA implementation?
- Challenges/success factors in implementation of NAMAs
- International technical assistance for NAMA preparation and NAMA implementation
- Guiding questions – open discussion

From Strategy to Preparation

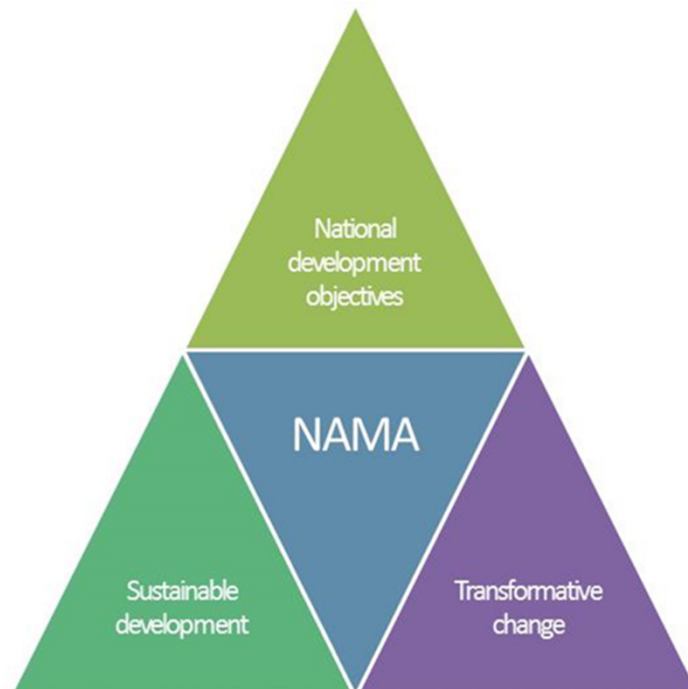


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Before preparation can start, a few key criteria need to be in place:

- Vision – national governments need to agree on policy goals and overall mitigation targets;
- Prioritization – policy objectives need to be agreed and prioritized among the ministries;
- Champion – an individual or group needs to commit to drive the NAMA development process and achieve results;

How do we define NAMA preparation?



Preparation of an **Action Plan**:

- Promotes green growth, emission reductions inclusive sustainable development;
- aligned with national development objectives and compatible with the host country's policies and development objectives;
- spurs the development of an environment which facilitates a transformative change in the sector;
- enables an enticing regulatory and policy environment which incentivizes private sector participation;

Success Factors in Preparation of NAMAs 1 - 7



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Identify a ‘champion’ - that drives the process from strategy to implementation;

Best practice example: **Kenya’s waste and energy NAMAs**

Sustainable Waste Management:

Leadership by Nairobi County Governments:

- Overall direction;
- Access to information;
- Coordination with key stakeholders, e.g. Waste & Environment Management Association (insights into practical waste management chains)

Access to Clean Energy through a Market Based Approach:

Clean Cook Stoves Association of Kenya:

- Passionate about household energy solutions and committed to improve the situation in Kenya;
- Insights into how to use existing technologies to solve most pressing environmental and economic problems.

Renewable Energy Department:

- Access to information at national

Success Factors in Preparation of NAMAs 2 - 7



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Stakeholder engagement - ensure continuous, transparent and inclusive stakeholder engagement throughout the NAMA preparation process;

Best practice example: **Ghana energy NAMA**

- Ghana set-up technical working groups that acted as supervisory bodies providing guidance throughout the NAMA development process;
- Representatives from different Ministries, electricity companies, the energy Commission, the EPA, and private sector companies represented an inclusive group of stakeholders to contribute to the design of the NAMAs;
- The working groups were also involved in the formulation of emission targets under the INDC and prepared technical option papers for mitigation and adaptation contributions and the means of implementation;
- The option papers will be used to inform the political consultation and high level decision making of the target by cabinet.

Success Factors in Preparation of NAMAs 3 - 7



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Political and financial commitment - to contribute and achieve their mitigation and development targets;

Best practice example: **Rural electrification in off-grid areas in Namibia**

- The overall target of the NAMA is to support Namibia in achieving the goal defined in the Off-Grid Energization Master Plan, namely to provide access to appropriate energy technologies to everyone living or working in off-grid areas;
- Due to the alignment with national development priorities, the Namibian Government is committed to providing around 30 per cent of the required funding, while the private sector is expected to contribute around 15 per cent. The remaining 55 per cent is expected to come from NAMA donors;
- Total costs of the NAMA are estimated at around US\$14 million. This includes support to cover the investment costs of the two interventions as well as extensive capacity-building efforts.

Success Factors in Preparation of NAMAs 4 - 7



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Identify the lead institutions/ministry - that will coordinate NAMA preparation and stakeholder engagement and ensure full buy-in of all key ministries;

Best practice example: **Gambia's energy NAMA**

- To ensure national ownership of the NAMA design process it is vital to identify the appropriate institution/ministry to lead the design process. In Gambia the Ministry of Environment was selected as the lead Ministry and during the stakeholder engagement process private sector and relevant stakeholders were involved;
- The NAMA's institutional set-up outlines the stakeholders that will be directly involved in implementation and in Gambia the subject stakeholders were involved from the very beginning of the design process and their final endorsement of the design generated a sense of ownership among the stakeholders.

Success Factors in Preparation of NAMAs 5 - 7



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Promote local technical capacity – to ensure lasting technical support already during the preparation of the NAMA and for future MRV;

Best practice example: **Rural electrification in off-grid areas in Namibia**

- The Environmental Investment Fund in Namibia will take on the role of NAMA Implementing Entity and will be supported in technical issues by the Namibia Energy Institute;
- All stakeholders registered with the NAMA Implementing Entity can request technical support for the elaboration of their proposals. This support mechanism will be actively promoted by the Namibia Energy Institute;
- Special focus will be on supporting stakeholders in identifying income generating activities as well as receiving concessions for the mini grids. This set-up ensures lasting technical support that takes into account the local context.

Success Factors in Preparation of NAMAs 6 - 7



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Identify a national financial institution - that can manage large amounts of funds to ensure effective allocation of financial resources;

Best practice example: **Rural electrification in off-grid areas in Namibia**

- International and national financial contributions will be directly channelled to the Environmental Investment Fund;
- The GCF accredited national Environmental Investment Fund will be responsible to disburse the funds to the executing entities after achievement of agreed milestones;
- National financing will contribute through grants to financing the executing entities and supporting capacity development efforts;
- From the income generated by the executing entities, contributions will be made to the national Maintenance Fund to ensure sustainability of operations of the grids.

Success Factors in Preparation of NAMAs 7 - 7



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Put the private sector center stage - Encourage policy frameworks that will allow private sector to invest in ventures under the NAMA framework and engage private sector in a dialogue early on;

Best practice example Kenya:

Access to Clean Energy through a Market Based Approach:

- Clean Cook Stoves Association involved in NAMA design to encourage private sector participation;
- 28 energy centers proposed where activities will be run by private sector;
- Contributed to identifying incentives to attract private sector.

Sustainable Waste Management:

- Waste and environment management association encouraged design of collection/sorting centres run by private sector;
- Members of the association fine-tuned approach to sustainable waste management to ensure private sector participation.



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Challenges and Solutions – Kenya Experience

What are key challenges/solutions in preparation of **Kenya's energy NAMA**:

Coordination / management: Entity dealing with cookstoves is based at the Ministry of Energy and Petroleum; but solar component is mandated with the Rural Electrification Authority (REA). **Solution:** The NAMA identifies an entity (National Electricity and Renewable Energy Authority - NERA) that will be a new 'one stop shop' for all renewable energy activities under the policy and also mandated to provide guidance to investors.

Technical: Wide range of quality stoves and solar products.
Solution: Only allow models that meet agreed minimum standards will be included in the NAMA.

Financial: Lack of existing entities to manage climate finance funds.
Solution: The NAMA provides specific recommendations for a financial entity.



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Challenges and Solutions – Kenya Experience

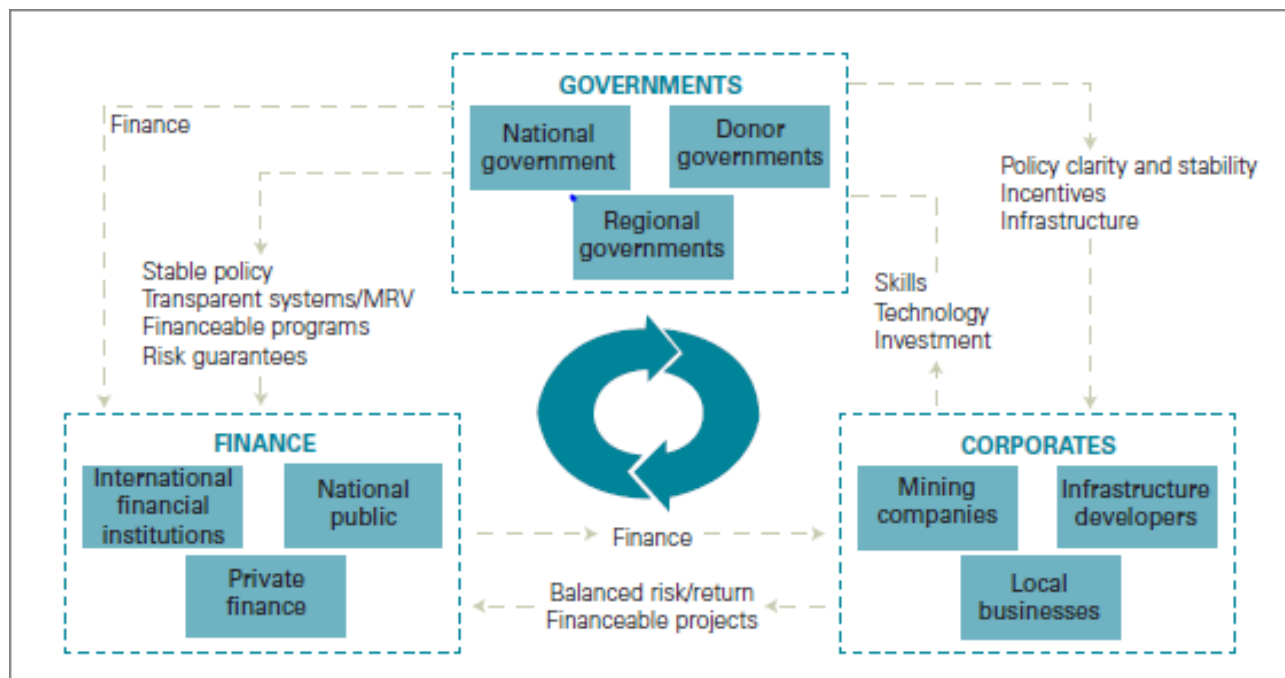
What are key challenges/solutions in preparation **Kenya's waste NAMA**:

Coordination / management: County Governments are supposed to be responsible for solid waste management; however the National Environmental Management Authority (NEMA) is responsible for regulations. Both, County Governments and NEMA license firms dealing with waste disposal. **Solution:** NAMA coordination role is with County Government.

Political commitment: County Government has demonstrated commitment, however land availability for sorting/composting not secured. **Solution:** in phase 1 of the land will be secured through int. climate finance.

Private sector participation: Lack of knowledge about sustainable waste management. **Solution:** Learning from best practice examples nationally and internationally, capacity development and NAMA model.

How to define NAMA Implementation?



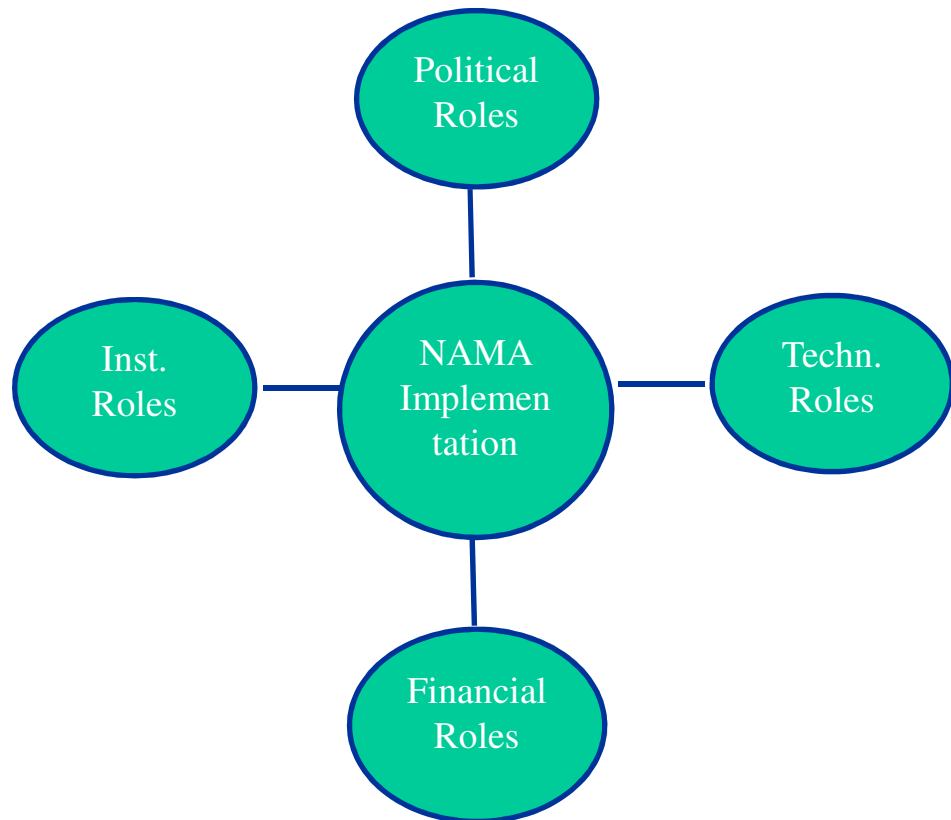
Source: KPMG 2011

- **NAMA Action Plan** is designed;
- **Coordinating and Managing Structure** of the NAMA is set-up, including technical and financial entities that lead in their respective areas;
- **Policy Incentives** are under preparation;
- **Private sector** is involved in dialogue and design of robust business plans;
- **National budget** is approved, **international support** for the implementation of a NAMA is obtained and private sector ready to engage;

Challenges/success Factors in Implementation of NAMAs



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- **Political:** Enabling environment for investment successfully created;
- **Institutional:** NAMA coordination and managing authorities fully operational; outreach activities and liaising with donors and investors; established public private dialogue and promotion of public-private partnerships;
- **Technical:** National Technical Implementing Entity established and MRV system in place, operational and well maintained; NAMA progress and results regularly reported;
- **Financial:** Effective allocation of funds, promoting of investment opportunities,, promotion of public finance mechanisms to catalyze private investment flows.

Source: GIZ 2015 modified

Technical Assistance for NAMA Preparation and NAMA Implementation



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International support for developing and implementing NAMAs currently available through bi- or multilateral cooperation;

The following institutions are already providing assistance in one form or the other, bilateral cooperation down the road.

- UNDP (LECB – NAMA Development)
- Climate Technology Centre and Network (Development)
- UNEP DTU (Development)
- GIZ (Development and Implementation)
- NAMA Facility (NAMA Implementation)
- NEFCO (Development and Implementation)

Guiding Questions – Open Discussion



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- Is a leading institutions identified that will drive the NAMA preparation process?
- Is the proposed NAMA a political priority and has full support from the key Ministries?
- Is there financial commitment for the future implementation of the NAMA?
- Is an institution identified that will lead the MRV of GHG ERs and SD impacts?
- Does a national financial institutions exist that will effectively allocate national and international financial resources and monitor transparently financial support obtained?
- Can the private sector get engaged in a dialogue and is there private sector interest to invest in potential ventures?

Guiding Questions – Open Discussion



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- Are the key Ministries involved in the key decision making processes?
- Does the NAMA have full support from the NAMA coordination authority and can the NAMA coordinator incorporate the NAMA programme into its regular activities?
- Is the NAMA coordination authority liaising with potential donors and fully supporting outreach and promotion activities?
- Is there sufficient coordination between the key Ministries for a successful implementation of the NAMA?
- Is the technical implementing entity established and MRV system put in place?
- Is the financial institution for fund allocation identified and promoting public finance mechanisms to catalyse private investment flows?
- Has a public private dialogue been initiated?



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Thank you for your attention!

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