

Current NAMA developments and Kenya case study

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Introduction

- ECN at a glance
- NAMA Status Report 2012: mid-year update
- Framing NAMAs
- Case study: developing NAMAs in Kenya
- Discussion

ECN at a glance

- Dutch energy R&D institute with strong international connections:
 - 570 highly qualified employees
 - Annual turnover of 140 mln euro
 - On average 10 patents and 600 reports and research publications annually
- As a bridge between energy research and the market, ECN develops high-quality knowledge and technology for the transition to sustainable energy management.



Solar energy



Efficiency &
Infrastructure



Biomass



Wind energy



Policy Studies

ECN at a glance

Policy Studies – Global Sustainability group

Experience on NAMAs:

- “On developing NAMAs” conceptual paper [link]
- NAMA Status Reports 2011/2012 update (with Ecofys Germany)
- Mitigation Momentum - advancing NAMAs (with Ecofys Germany)

- Ghana: support NCCC on climate change [link] (with CDKN/DFID)
- Indonesia: support for NAMA framework document and TRANSfer
- Kenya: NAMAs and LEDS [link] (with IISD)

NAMA Status Report 2012: mid-year update



- Current state of play - NAMA Status Report
 - First 'Annual Status Report on NAMAs' published for COP17 in Durban
 - Collaboration between ECN and Ecofys Germany, supported by BMU/ICI
- Submissions and activities on the ground
 - 50 countries submitted NAMAs to UNFCCC; wide variety of types and detail
 - NAMA Database contains 52 NAMA activities across 24 countries
 - 1/3 of countries that submitted NAMAs are engaged in NAMA activities



MitigationMomentum

Supported by:



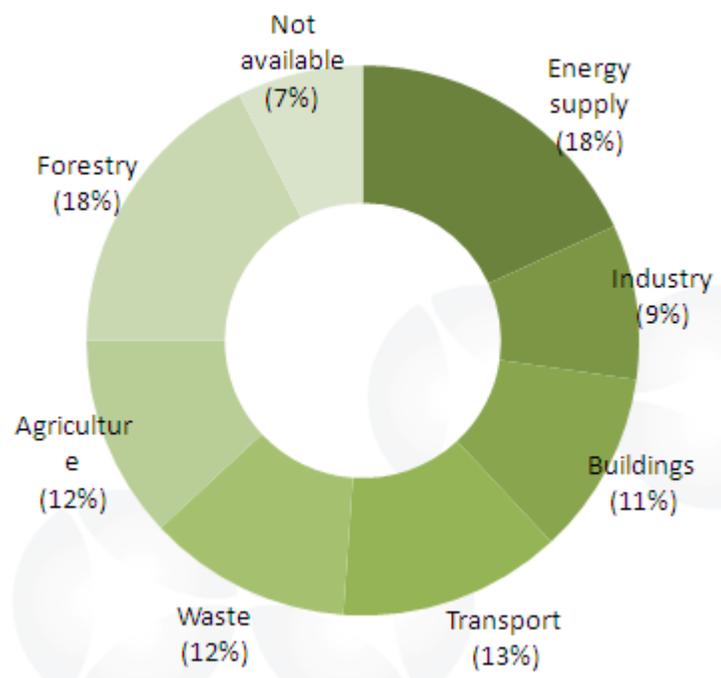
Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety

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



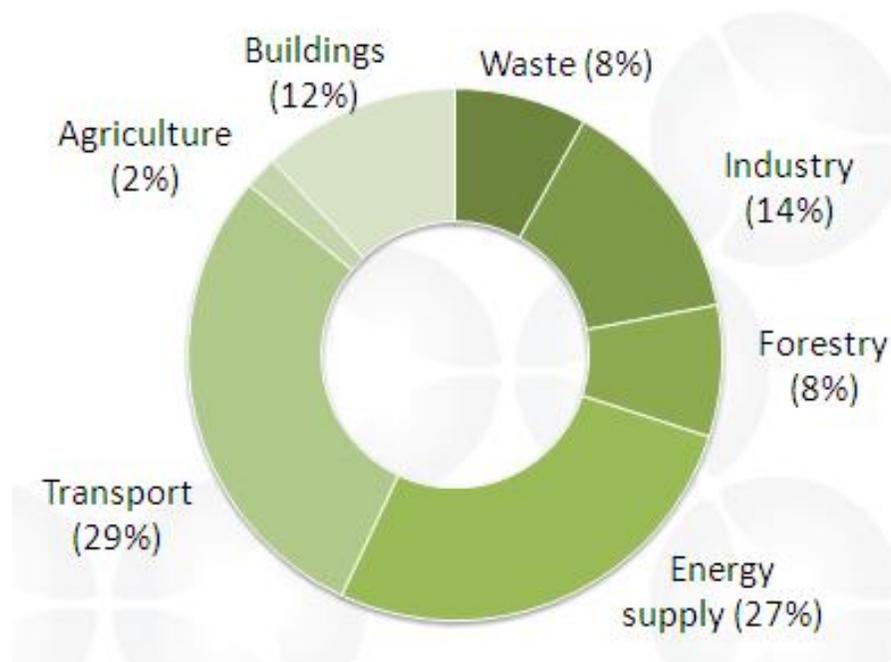
sustainable energy for everyone

NAMA Status Report 2012: mid-year update



UNFCCC submissions

Source: official documents 2011/INF.1



Activities on the ground

Source: www.nama-database.org

NAMA Status Report 2012: mid-year update



- Where progress is most needed
 - Interviews across community of practice
 - General feeling of optimism about NAMA activities picking up
- Selected recommendations from practitioners:
 - Continued bottom-up exchange on developing and piloting NAMAs
 - Learning from the long history of development activities
 - Clear and transparent criteria for fundable NAMA proposals
 - Concrete and clear examples of MRV of different types of NAMAs
 - Practical experience to demonstrate how the private sector can be involved in NAMA finance

Framing NAMAs

- NAMAs in the negotiating text
 - Importance of development (co)benefits and sustainable development
 - Government interventions and approved actions
 - Measurement, reporting and verification

Framing NAMAs

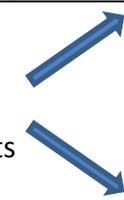
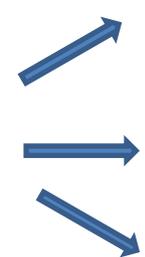
- National government perspective
 - Leveraging and/or mobilising private finance
 - Creating an enabling environment
 - Alignment with national development priorities
 - Multiple sources of finance – NAMAs in the larger context
 - Questions of additionality and incremental costs

Framing NAMAs

- Private sector perspective
 - Opportunities and risks
 - Different from carbon markets
 - Gaps and barriers – dialogue necessary
 - Why do NAMAs matter for the private sector?

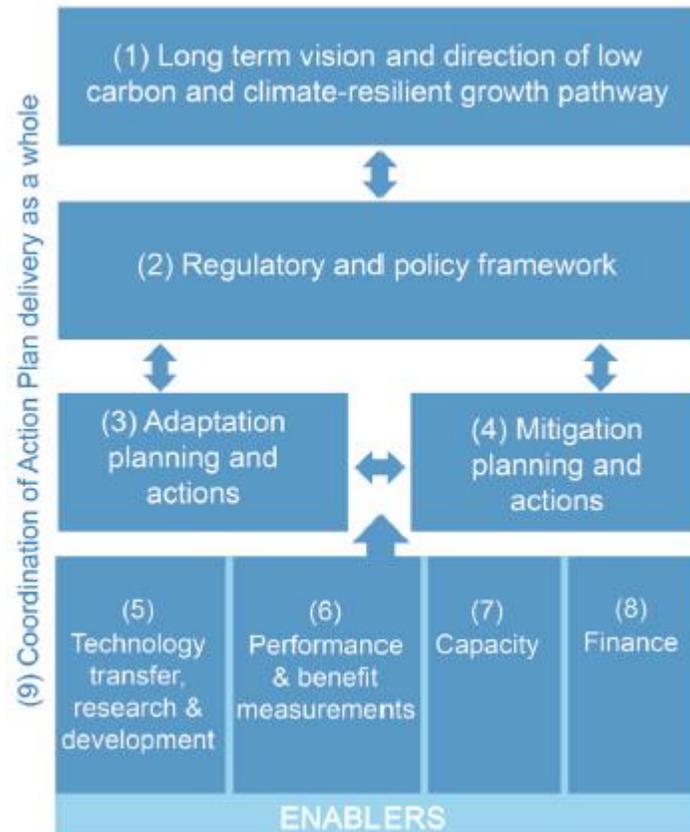
Framing NAMAs

- Public finance mechanisms (source Wuertenberger, forthcoming)

Barriers	Type of financing	Public Finance Mechanisms	Examples of support
Low (or no) return on investment	Contribution to investment or operational costs 	Up-front grant (e.g. subsidies, concessional loans) Funding during operation (e.g. feed-in tariffs, carbon markets)	GEF projects, bilateral support <i>CDM, ideas like GET FIT, Low Carbon Advance Market Commitments</i>
High up-front costs / lacking access to capital	Facilitating access to finance 	Provision of debt (e.g. loans, credit lines) Provision of equity Incentivizing existing financing system	WB CTF, EBRD Energy Efficiency Finance Facilities, micro-finance credits IFC Cleantech Venture Capital ESCO market development
High risk	Provision of risk coverage 	Risk guarantees / insurance schemes	WB MIGA
Non-financial barriers (regulatory, lacking capacity etc.)	Technical assistance 	Mostly as grants	GEF projects, bilateral support

Case study: developing NAMAs in Kenya

- NCCRS Action Plan



REPUBLIC OF KENYA
MINISTRY OF ENVIRONMENT AND
MINERAL RESOURCES



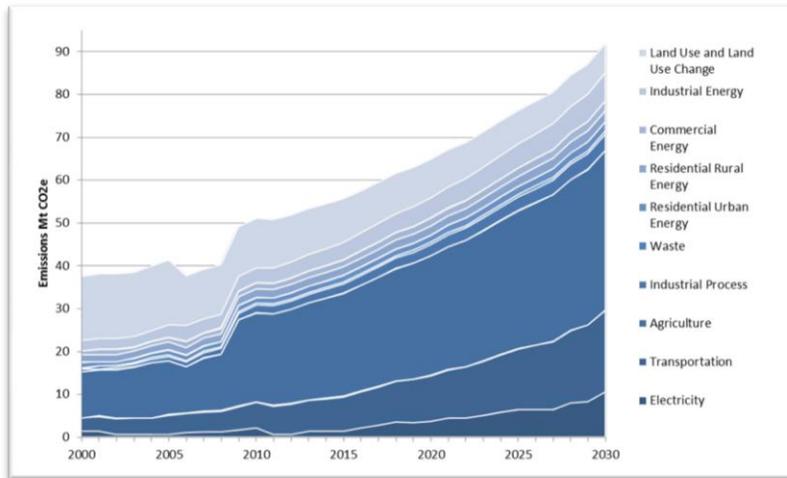
Case study: developing NAMAs in Kenya

- Institutional setup and stakeholder engagement
 - Climate Change Secretariat (MEMR)
 - Task Force (cross-ministerial including private sector and civil society)
 - Technical Working Groups
 - Strong leadership from permanent secretary

- Institutional setup and stakeholder engagement
 - Low-carbon scenario assessment of potential NAMAs and REDD+ actions across six sectors of UNFCCC
 - Identifies potential emissions abatement actions that can bend down emissions from the proposed reference case emissions
 - Work builds on priorities and planning processes of the Government of Kenya
 - Local validation meetings to engage Kenyan experts and stakeholders to ground-truth and validate assumptions

Case study: developing NAMAs in Kenya

- NAMAs as part of an economy wide low-carbon analysis

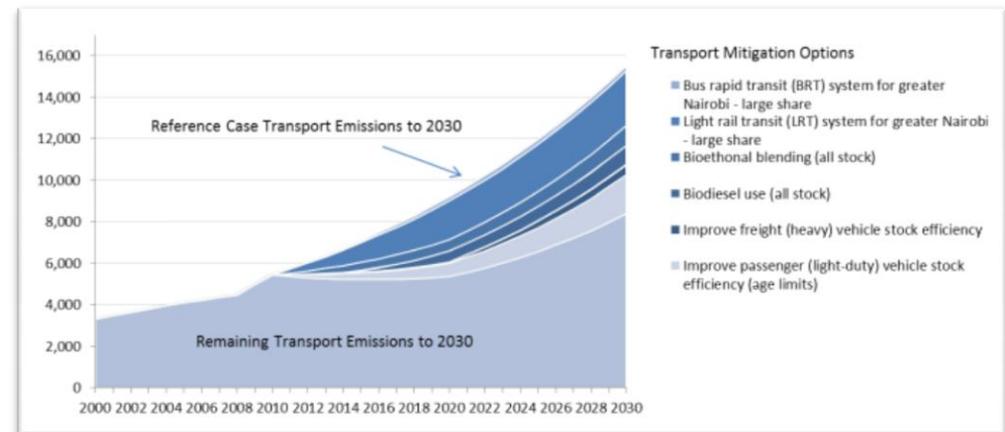


3) Qualitative analysis of sustainable development impacts of low-carbon options

4) Concrete next steps for the Climate Change Action Plan

1) Emissions projection to 2030 (reference case / business as usual)

2) Wedge analysis: Demonstrates how low carbon options / potential NAMAs can bend down emissions



Discussion

- **NAMAs state of play:**
 - Many submissions and activities on the ground
 - Almost all are in the preparatory phase
 - Different types of NAMAs and different approaches to development
- **Framing NAMAs**
 - Negotiating text leaves room for ‘nationally appropriate’ interpretation
 - Government interventions, supported public finance mechanisms
 - Involve private sector to articulate opportunities, gaps and barriers
- **Case study Kenya**
 - NAMAs as part of a coordinated approach to climate change
 - Preparatory analysis, combining detail and holistic view
 - Concrete output for Action Plan

Discussion

- Practical steps in a NAMA proposal
 - Define the rationale behind the action
 - Clarify...
 - the role co-benefits and alignment with NDP
 - Incremental costs and additionality
 - International vs. national support
 - Clarify the role of the private sector
 - Engage with potential donors and investors
 - Identify gaps and barriers and choose the appropriate public finance mechanism
 - Develop a concrete financial proposal

Thank you!

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