

## Annual Report 2017

### Executive Summary

Version March 2018

After an unprecedented response from countries to the NAMA Facility's 4<sup>th</sup> Call for the submission of NAMA Support Project (NSP) Outlines, and in line with recommendations from the mid-term evaluation of the NAMA Facility, Donors initiated a discussion on the mid-term prospect for the NAMA Facility. They published the strategic document "Inspiring Ambitious Action on Climate Change", which sets out the NAMA Facility's Vision and Mission and takes stock of the NAMA Facility's current role in the climate finance landscape. As NAMAs are recognised as important building blocks for the implementation of Nationally Determined Contributions (NDCs), Donors intend to additionally commit up to EUR 85 million to the NAMA Facility for a new, larger 5<sup>th</sup> Call for the submission of NSP Outlines. The 5<sup>th</sup> Call was launched on 13 November 2017 at the NAMA Facility's COP23 side event in Bonn. With this commitment, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the UK Department for Business, Energy and Industrial Strategy (BEIS) and the European Union bring the NAMA Facility Donors' total funding amount to approximately EUR 348 million.

In 2017, the NAMA Facility portfolio experienced further evolutions:

- As result of the 4<sup>th</sup> Call, the total portfolio grew from 14 to 22 NSPs. Eight new NSPs were pre-selected in the 4<sup>th</sup> Call to receive NAMA Facility support for the Detailed Preparation Phase (DPP), including the Resource Efficiency Program for Brazil's Beef Supply Chain NAMA, The Gambia Grid-Connected Solar PV NAMA, the Mexico Sugar Mills NAMA, the Mexico Energy Efficiency in SMEs NAMA, the Thailand Rice NAMA, the Tunisia Clean Energy in Buildings NAMA, the Philippines Distributed Solar NAMA, and the Uganda School Cookstoves NAMA.
- From previous Calls, two additional NSPs (the China Integrated Waste Management NAMA and the Colombia Domestic Refrigeration NAMA) and the Financial Cooperation (FC) component of the NSP Self-Supply Renewable Energy NAMA in Chile were approved to enter the Implementation Phase after these NSPs successfully concluded the DPP. Therefore, by the end of 2017, Donors had committed Implementation Phase funding for a total of nine NSPs.
- Two NSPs from previous Calls (the Biomass Energy NAMA Burkina Faso and the Forestry NAMA Tajikistan) concluded the DPP.
- Two further NSPs (Thailand Rice NAMA and the South Africa Energy Efficiency in Public Buildings and Infrastructure NAMA) completed the DPP and submitted their NSP Proposals for approval in 2017. One NSP (Guatemala Alternative Fuels Cooking NAMA) submitted a draft Proposal in 2017. Eight other NSPs are currently in the DPP.
- By the end of 2017, the first NAMA Facility NSP (the Implementation of the New Housing NAMA Mexico) concluded its Technical Cooperation (TC) component after four years of the Implementation Phase.

NSPs are to demonstrate that climate finance can effectively support transformational change in partner countries towards low-carbon sustainable development pathways. The achievement of this NAMA Facility outcome depends largely on the performance and success of the selected NSPs. Delays have been observed in a number of NSPs approved for the Implementation Phase, in particular with regard to the

operationalisation of the financial mechanisms. This could affect the NSPs' abilities to demonstrate the full mitigation impacts, as well as financial leverage and transformational change. It is therefore still challenging to judge the exact progress towards achieving the outcome.

First results from the NSPs indicate that transformation is most likely to occur in clearly delineated and concise sub-sectors. Political will as an important element for change is reflected in the fact that all NSPs are closely linked to the partner countries' NDC and considered by the countries as building blocks of the NDC's implementation. Significant direct GHG reductions attributable to the NSPs are likely to be achieved towards the end of an NSP's Implementation Phase, once the supported investments begin operating. With that, GHG emission reductions reported by NSPs are comparatively low at this stage.

As the NSP portfolio continues to grow, more experiences from implementing NAMAs become available. The NAMA Facility therefore enhanced its knowledge management and communication approach in 2017. New means of communication (such as films and stories) were used to illustrate the NSPs' achievements on the ground. In addition, the NAMA Facility exchanged with climate finance programmes such as the GCF on lessons learned. In-depth lessons learned are also captured in NSP evaluations; the first NSP evaluation took place in late 2017. A draft knowledge management strategy and a draft knowledge management action plan have been developed in order to support the NAMA Facility's role as a learning hub for climate finance.