

EVALUATION & LEARNING EXERCISES: Best practices for Transformational Change

Addressing the ongoing climate crisis requires us to rethink how developing countries and emerging economies further industrialise. The NAMA Facility, a multi-donor fund that aims to inspire ambitious climate action, supports its partner countries in generating sustainable solutions through national-scale climate change mitigation projects.

In the context of global climate action, countries are actively limiting their greenhouse gas emissions as outlined in the Paris Agreement. Each country must prepare, communicate, and maintain successive Nationally Determined Contributions (NDCs) that it intends to achieve as part of domestic mitigation efforts. Nationally Appropriate Mitigation Actions (NAMAs) are sector-wide approaches and building blocks to achieving these NDCs. Partner countries with NAMAs can elect to apply for funding from the NAMA Facility to carry out so-called NAMA Support Projects (NSPs). In a highly competitive Call process, the NAMA Facility selects the most innovative and promising projects to finance.

The NAMA Facility delivers ambitious actions in three ways: finance, expertise, and evaluation & learning. With a portfolio of over 43 NSPs, including active and completed projects, the NAMA Facility serves as a learning hub for the climate finance community by providing in-depth Evaluation and Learning Exercises (ELEs) for each NSP.



Evaluation and Learning Exercises

High-quality monitoring and evaluation practices for NSPs and their contribution to national carbon-reduction initiatives foster successful project implementation. To gain insights into what makes NSPs perform well, the NAMA Facility conducts a detailed mid-term and final evaluation of NSPs, which includes an analysis of positive developments as well as shortcomings and lessons learnt. In general, ELEs aim at answering three guiding questions:

- Has the NSP been achieving its results?
- Has the NSP started to trigger transformational change?
- What was learnt from the NSP so far?

The Six Completed Reports

The NAMA Facility has conducted six ELEs as of September 2021. The extensive analyses present key findings and recommendations for further progress of the NSP as well as future NSPs.

The five reports include a wide range of NSPs:

- Final ELE of the NSP “New Housing NAMA in Mexico” aimed at transforming the Mexican housing sector and particularly, low-income housing, through promoting cost-effective and energy-efficient technologies, raising awareness, and increasing the capacities of project developers.
- Final ELE of the Technical Component of the NSP “Chile Self-Supply Renewable Energy”, which aims to strengthen the development of the self-supply renewable energy market by promoting the incorporation of SSRE systems in small and medium enterprises (SMEs).
- Mid-term Evaluation of the NSP “China Integrated Waste Management (IWM)”, which focuses on transforming the municipal solid waste sector to be low-carbon and offering attractive investment and engagement opportunities to businesses and financial institutions.
- Final ELE of the Technical Component of the “Colombia Transit Oriented Development

NAMA Support Project”, which supports the transition of Colombia’s urban development model from urban sprawl to Transit Oriented Development to maximise greenhouse gases reductions and generate co-benefits from public transit investment.

- Final Evaluation of Costa Rica “Low Carbon Coffee NAMA Support Project”, whose goal is to reduce the emissions intensity and introduce transformational, sustainable solutions within coffee production and processing in Costa Rica.
- Final ELE of the “Thailand Refrigeration and Air Conditioning NAMA Support Project”, which intends to initiate a sector-wide transition towards climate-friendly and energy-efficient cooling technologies.

Lessons Learnt

Six key observations can be derived from the first set of ELEs that were already conducted in the period of 2020-21:

1. Efficiency and Impact

NSPs aim to trigger transformational change towards carbon neutrality in their respective sectors, for example by enabling growth of nascent markets through technical and financial assistance. The NSPs that have undergone evaluations display significant progress towards the project goals. While further evaluation is needed, the reports also hint at a challenge in timing the delivery of technical components (e.g. awareness raising, regulatory framework set up) and financial mechanisms. While it is premature to claim that transformational change has been achieved by all NSPs, it is safe to conclude that the road to transformation has been prepared.

2. Alignment with National Agendas and Governments

Alignment of the NSPs with national agendas often produces successful projects, and NSPs that have undergone evaluations demonstrate this strong alignment. The ELEs also reveal that coordination with government institutions in charge can be further improved, as some NSPs exhibit policy and regulatory gaps. In some cases, communication and coordination with relevant ministries was, on occasion, perceived as less effective. The NAMA Facility encourages NSPs to further share their expertise with policymakers to trigger transformational change on a national level.

3. Stakeholder Engagement

As NSPs are expected to contribute to national agendas and initiate change towards carbon-neutral or low-

carbon development, there is a need for wide stakeholder engagement, including with the private sector. While the ELEs show that NSPs have successfully achieved stakeholder coordination, some were only partly successful in multi-stakeholder engagement. Moreover, capacity building of relevant stakeholders in the form of professional training secures NSPs’ successful implementation.

4. Flexibility

Global and national context factors are constantly shifting. Therefore, NSPs need to be flexible in their financial and technical design to react well to external circumstances. The ability to adjust the regulatory and financial instruments helps ensure a project’s sustainability.

5. Communication and Visibility

Visibility and transparency of the underlying motivations of each NSP, communication with the public, and community engagement contribute decisively to the success of measures taken. This includes providing guidance by publishing and translating studies, sharing results and learnings to improve visibility, dissemination, and communication with the public. However, there are key communication differences when gaining wider visibility or trying to engage with communities. An NSP targeting primarily urban communities and municipalities requires a different communication strategy from NSPs working with renewable energy markets. It is important to adapt to each target audience.

6. Exchange of Learnings

NSPs may increase their transformational potential by exchanging learnings and best practices. Exchange of learnings is key to raising ambition and long-term outcomes of NSPs. The ELEs indicate that NSPs should put even more effort into exchanging knowledge internally, with relevant stakeholders from both the private and public sectors, and between NSPs.

As a knowledge and learning hub, the NAMA Facility continues to share insights and tangible experiences on climate finance mechanisms at events, including webinars, virtual meetings and in-person events. The ELEs direct our attention to key learnings for successful NSPs. This includes strong alignment with national agendas and embeddedness with national NDCs, which can be further improved by sharing expertise with policymakers. The need for flexibility to better react to external circumstances persists, as well as for improvement of multi-stakeholder engagement and greater visibility in public outreach. Overall, NSPs have shown significant progress in allowing countries

committed to carbon-neutral development to make visible contributions to global mitigation efforts.

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