

Potential for Transformational Change

The NAMA Facility applies four criteria to evaluate the ambition of a NAMA Support Project. One of these criteria is the potential for transformational change. Being a rather new concept, this factsheet offers insights on the current understanding of what constitutes a potential for transformational change towards a sustainable low-emission development.

The concept of transformational change gained momentum with the launch of the Green Climate Fund. Within its Governing Instrument, the Green Climate Fund states its objective and guiding principle as to promote 'in the context of sustainable development, [...] the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change' (UNFCCC 2011, 3/CP.17 Annex).

The NAMA Facility takes the ambition of the Green Climate Fund seriously and offers a learning environment for the operationalization of the guiding principle for catalysing transformational change towards sustainable low-emission development in line with the 2 degree limit. At the same time, the IPCC findings guide the NAMA Facility in defining its ambition.

The concept

In the context of the NAMA Facility, projects are considered as conducive to transformational change if they:

- contribute to enabling either a significant evolution in terms of **scope** (e.g. scaling-up or replication), or enabling a faster and/or a significant shift from one state to another;
- have a **catalytic effect** and include mechanisms to ensure the **sustainability of the impacts**, local owner-

ship and political will, the involvement of the private sector and the use of innovative technologies and approaches, and;

- allow for systematic **learning** processes.

Transformational change as well as the objective of change is characterised by the process. The process towards low-emission development must be self-reinforcing, and the goals of this process must contribute to long-term sustainable development. The process must identify and address the agents of change, the innovation itself and how it fits into the framework conditions (economic, societal, environmental), as well as into the institutions of change.

As the concept of transformational change towards sustainable low-emission development is a rather new concept it will likely be adjusted as knowledge evolves.

Further reading: Wuppertal Institute (2014): Capacity Building for Transformational Change in International Climate Finance, <http://wupperinst.org/en/projects/details/wi/p/s/pd/482/>

The operationalisation

With the NAMA Facility, the potential for transformational change of a NAMA Support Project is assessed at the outlining stage and forms part of the ambition assessment. The outline template provides guiding questions to applicants. Each guiding question corresponds to one factor for strengthening the transformational change potential. Since the overall potential for transformational change depends on the right combination of elements as well as the right timing, the potential for transformational change is evaluated at a qualitative level.



Outline template on transformational change potential:

- Is the outlined NAMA Support Project an element of a **broader programme or policy framework** that contributes to achieving an ambitious sectoral or national emission reduction target or implementing a low-emission development strategy? Would the achievement of the emission reduction target or implementation of the low-emission development strategies contribute to bringing the target country onto a low-carbon development path? Does the outlined NAMA Support Project fit into a broader context of mitigation activities in the respective sector?
- Does the outlined NAMA Support Project help to **change the prevailing structures of the sector** that contribute to high emission levels? Please refer to the starting situation of the country and the sector. Please describe the 'window of opportunity' for inducing such change?
- Does the NAMA Support Project help to **overcome systemic barriers** to the reduction of emissions, and if so, how?
- What transformational **impacts** does the outlined NAMA Support Project have **beyond the scope of the project**?
- Does the outlined NAMA Support Project **develop capacities** to reduce future GHG emissions beyond the scope of the project?
- Does the outlined NAMA Support Project serve to **strengthen the institutional capacities** of the national system, as described for example in the aid effectiveness criteria of the OECD/DAC?
- Does the outlined NAMA Support Project envisage the **participation** and/or development of **the private sector**? What is the specific contribution of the private sector to transformational change potential?

- Does the outlined NAMA Support Project adopt an **innovative approach** to reducing emissions, which can have impacts beyond the specific NAMA Support Project (e.g. technology transfer)?
- Is the outlined NAMA Support Project **replacable** with respect to its applicability in other regions, countries and internationally?

Reporting on transformational change potential

During the implementation of a NAMA Support Project with support from the NAMA Facility, projects will have to report annually on the likelihood that transformation will occur due to the project's activities. The reporting consists of a self-assessment against the criteria defined by the NAMA-Facility as outlined above, and a narrative report.

Contributing to the international debate

The NAMA Facility will gain further insight on the operationalisation of the transformational change concept. This process will contribute to the international debate by sharing lessons learned from applying the concept as a selection criterion. The Facility will also work with selected projects to highlight the transformational elements of their approaches.

Engage!

This is a joint exercise: different views and perspectives enrich our understanding and strengthen the global learning experience. We would be interested to hear more about **your** lessons and experience from developing and implementing transformational NAMAs. Please send an email and share your insights!

Contact: www.nama-facility.org and contact@nama-facility.org.

Imprint

Published by: German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), Division KI II 7, 11055 Berlin, Germany / UK Department for Energy and Climate Change (DECC), Division International Climate Change, London SW1A 2AW, UK

Date: August 2014

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