

February 2021

# **NAMA Facility – 2<sup>nd</sup> Interim Evaluation and Learning**

**Learning Report: Pathways for enhancing  
local ownership**

Raquel de Luis Iglesias, Laura Hayward, Julia Larkin, Ann Gardiner



Ipsos MORI



## Background to this Learning Report

Local ownership is critical to delivering effective climate finance that is sustainable and transformative. Attributes of country ownership in the NAMA Facility include, *inter alia*, alignment of NAMA Support Projects (NSPs) with national priorities, co-funding with local/national resources, and the engagement of a wide range of local stakeholders.

The 2<sup>nd</sup> Interim Evaluation of the NAMA Facility<sup>1</sup> found that the processes for generating local ownership and ensuring political will were sufficient in some countries, but not all. The evaluation identified some activities conducted by the NAMA Facility that are working well to engage stakeholders and ensure local ownership which other funds/donors could learn from. Some processes however need to be strengthened. Building upon these findings, this Learning Report focuses on some pathways and best practices funds like the NAMA Facility can use to enhance local ownership.

The target audience for this learning report includes the NAMA Facility and other climate funds, governments of developing countries and emerging economies, NAMA<sup>2</sup> developers and direct implementers, as well as the wider climate finance community.

### Key lessons

Local ownership in climate finance projects should be sought from conceptualisation through to project implementation. We have identified some pathways that funders may use to increase local ownership and political will:

1. Ensure alignment of the projects being funded with countries' national priorities.
2. Empower national actors by making the call process accessible. Additional support targeted to countries who traditionally find it more difficult to apply for funding (e.g. SIDS and LDCs) may be needed.
3. Involve local stakeholders from inception and plan (and fund) activities to continue engaging them during preparation.
4. Make decisions on funding quickly to avoid losing momentum.
5. Provide flexibility to local stakeholders to design the financial instrument that best adapts to their local context.

## The NAMA Facility's approach to local ownership

The NAMA Facility recognises that national governments' strong involvement and ownership is essential for the success of the NSPs. Government institutions (national ministries and other sector institutions) must be strongly committed to managing and implementing the NSPs within the framework of the overarching NAMAs.

---

<sup>1</sup> Founded in 2012, the NAMA Facility provides support to developing countries and emerging economies for the implementation of transformational, country-led NAMA Support Projects (NSPs). NAMAs (Nationally Appropriate Mitigation Actions) can be considered building blocks for the implementation of Nationally Determined Contributions (NDCs). NSPs contribute to the reduction of greenhouse gas emissions by providing demonstration examples for the implementation of NAMAs. Successful NSPs are expected to (1) encourage countries to prepare and implement further NAMAs, and to (2) mobilise additional finance for the implementation of climate change mitigation action.

<sup>2</sup> NAMAs is a term used for convenience. In this report, it also includes NDC implementation activities promoting transformational change that are conceptually similar, but may not be using NAMA terminology per se.

## The NAMA Facility's pathways to achieving local ownership

The NAMA Facility places the strengthening of national ownership at the impact level in its Theory of Change (ToC), and it has set up multiple activities and mechanisms from selection through to implementation of the NSPs to achieve this impact:

- **Selection of NSP Outlines at the Calls:** Outlines must be submitted or endorsed by a local authority and need to be aligned with countries' NDCs and/or other national climate mitigation strategies (e.g. they are frequently part of wider sectoral programmes or NAMAs). After being shortlisted, an in-depth assessment which includes an on-site visit is conducted to propose the final selection.
- **Detailed Preparation Phase (DPP):** The NAMA Facility encourages NSP implementing partners to set up a steering committee involving relevant stakeholders. Its functions should be defined during DPP, and funding is provided for stakeholder engagement and technical assistance activities. At the end of the DPP, a proposal is submitted detailing the roles and responsibilities of national stakeholders during the implementation, as well as the level of co-funding. This ensures that the NSP is locally owned and ready to start implementation.

## How the NAMA Facility's approach to ownership compares to other funds

The approach to local ownership followed by the NAMA Facility differs substantially from other similar funds' approaches (GCF, CIF, GEF). First, whilst other funds have a national focal point that coordinates the funds' activity in the country, the NAMA Facility works with implementing partners at the NSP level. This means it works with multiple partners if several NSPs are being prepared/implemented in any one country. Second, whilst the NAMA Facility uses a call-based approach to selecting projects, other funds follow programmatic approaches where the focal points (or similar entities) lead the development of programmes or investment plans. In the NAMA Facility, the idea origination for NSPs may come from local entities or NAMA Support Organisations (NSOs)<sup>3</sup> once Calls (and funding priorities) are announced.

**Table 1. Key features of local ownership approaches**

|   | NAMA Facility | GCF                             | CIF                | GEF                |
|---|---------------|---------------------------------|--------------------|--------------------|
| <b>National government focal point / country coordination mechanism</b> | --            | ✓                               | ✓                  | ✓                  |
| <b>Alignment with national priorities / plans</b>                       | ✓             | ✓                               | ✓                  | ✓                  |
| <b>Multi-stakeholder engagement</b>                                     | ✓             | ✓                               | ✓                  | ✓                  |
| <b>Applicant is a national/local entity</b>                             | ✓             | ✓                               | ✓                  | ✓                  |
| <b>Project selection</b>  | Call-based    | Country programmes + Call-based | Country programmes | Country programmes |

<sup>3</sup> NAMA Support Organisations (NSOs) are qualified legal entities, endorsed by the national government to ensure the implementation of a NAMA Support Project (NSP). Entities eligible as NSOs include national entities (e.g. development banks, public utilities, foundations, NGOs, etc.) or international entities (e.g. international development banks, United Nations agencies, bilateral and multilateral development agencies, etc.). Existing NSOs in the NAMA Facility portfolio include, inter alia, GIZ, UNDP, IADB, FAO and AFD.

## Pathways for enhancing local ownership

Local ownership should be sought throughout the whole project cycle: from idea conceptualisation through preparation, to implementation. The pathways presented below are all oriented towards facilitating local ownership and can be applied at several stages of the project cycle. They build upon the findings of 2<sup>nd</sup> Interim Evaluation of the NAMA Facility, which also included a benchmarking of the funds introduced in the previous section.

### Pathway 1: Ensure alignment of the projects being funded with countries' national priorities

Whether using programmatic approaches or call-based selection processes to prioritise what is and is not funded, it is important to ensure that projects align with national priorities as well as donors' appetite for funding. This can be done by assessing the alignment of funding proposals with countries' NDCs, and in the case of the NAMA Facility, their links with wider NAMAs. Indeed, the evaluation found that NAMAs remain highly relevant and are a respected instrument for NDC achievement and development.

### Pathway 2: Empower national actors by making call processes accessible

Funds that follow the programmatic approach generally provide funding to focal points (or similar) to develop the national programmes. This ensures all countries, independently of their available resources or capacities, can put forward programmes stating their national priorities on climate mitigation. The NAMA Facility Call for Outlines process is open to any country and accessible to different actors, which may increase its ability to attract a range of national actors and countries.

Independently of the process used to select projects, there are certain countries, mainly small island developing states (SIDS) and least developed countries (LDCs), which find it more difficult to allocate resources to prepare country programmes or competitive outlines.

In addition to reducing the pool of countries that are able to partake in the Calls or prepare country programmes, the lack of national capacity may also hinder local ownership if, for instance, outlines, roadmaps or strategies are mostly driven by NSOs (or other support organisations) with little participation of local stakeholders. In the case of the NAMA Facility, the evaluation found some evidence of NSOs dominating the conceptualisation, design and delivery of NSPs.

The GCF has already identified this shortcoming, and it is prioritising the support it provides to African States, SIDS and LDCs.<sup>4</sup> Potential ways of addressing this shortcoming include: (a) providing targeted support (e.g. additional webinars) to SIDS and LDCs; (b) announcing the calls earlier so that countries with fewer resources have enough time to prepare their outlines/proposals; or (c) strengthen the outreach and cooperation with local organisations that could act as NSOs in SIDS and LDCs.

### Pathway 3: Involve local stakeholders from inception and continue engaging them during preparation

Linked to pathway 2, once the idea has been conceptualised in the outline/proposal, it is important to continue engaging local stakeholders throughout the selection and preparation phases. The NAMA Facility recently introduced a two-stage process in the selection of outlines. First, outlines are shortlisted based on a desk assessment; and second, they are assessed in-depth with an on-site visit. During the in-depth assessment, an independent assessor and a member of staff of the NAMA Facility Technical Support Unit (TSU) visit the country and meet the implementing partners and the NSO. In addition to providing very rich information to assess the outlines, the on-site visits have been an opportunity for partners to meet in person and place the project high in the political agenda, boosting political will. Other

---

<sup>4</sup> Source: Green Climate Fund Independent Evaluation Unit (2019): Independent Evaluation of the GCF's country ownership approach

programmes/funds (especially those with call-based selection processes) should consider introducing similar processes.

Before starting implementation, projects go through the DPP. The NAMA Facility provides a small grant to refine the concept and engage a wide range of stakeholders in the process. The DPP has been identified in the evaluation as one of the unique added values of the NAMA Facility and plays an important role in generating national ownership and political will.

#### Pathway 4: Make decisions on funding quickly to avoid losing momentum

Project implementers dedicate a significant amount of resources to conceptualise their ideas and develop proposals, and they expect prompt, transparent and clear feedback from donors. On the other hand, donors are reluctant to fund projects that do not align to their own funding priorities or that bear significant levels of risk. Balancing these aspects is not always easy and funding decisions may be delayed, affecting, in turn, recipient countries' political will to progress the project – for instance, national stakeholders may be unable to retain their staff if they don't have certainty on the resources available, or there may be changes in the administration that require re-starting negotiations with the local counterpart.

The NAMA Facility is faster than its peers when it comes to making decisions on funding,<sup>5</sup> which results in a low dropout rate during DPP/implementation. It also provides feedback to unsuccessful applicants so that they can improve their concepts and resubmit their outlines in future calls. This feedback was perceived to be useful and constructive by applicants, who frequently use it to re-apply for funding.

It is advisable to make decisions on funding in a timely manner and maintain transparent communication on feedback throughout the process in order to maintain political momentum and ensure a smooth start.

#### Pathway 5: Provide flexibility to local stakeholders to design the financial instrument that best adapts to their local context

The evaluation concluded that one of the ways it supports local ownership is through the flexibility it allows projects in their financial component design. The NAMA Facility does not have a 'prescriptive list' of financial instruments that recipient countries may implement; instead, local stakeholders can design the instruments that fit best in their local context, considering:

- previous experience, knowledge and readiness of local stakeholders;
- level of co-funding available; and
- the strategy for leveraging funding from the private sector.

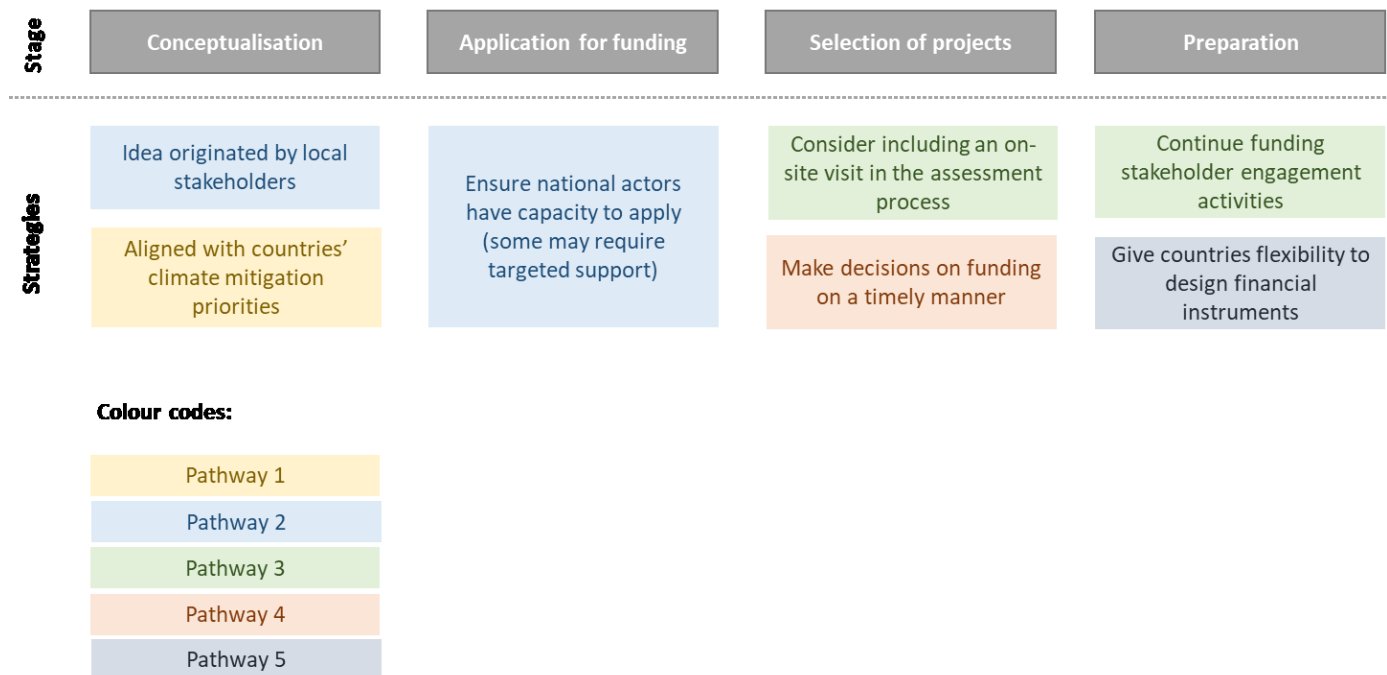
This flexibility allows implementing partners to design the financial instrument that best adapts to their needs, maximising local ownership. Requiring co-funding from recipient countries is also a way of ensuring local ownership and facilitating sustainability once the NAMA Facility's financial support finalises. While this requirement might deter certain countries from participating (e.g. countries lacking co-financing resources), the flexibility allowed permits countries to design 'affordable' instruments. For instance, the co-funding may be provided via foregone revenues (e.g. an environmentally harmful subsidy that is phased out) and/or the finance instrument created through the NSP (e.g. a carbon tax).

---

<sup>5</sup> Based on a benchmarking conducted as part of the evaluation. For more information, refer to the 2<sup>nd</sup> Interim Evaluation of the NAMA Facility.

In summary, there are different pathways, or strategies, that funds like the NAMA Facility could follow to ensure local ownership. These strategies are complementary and should be applied throughout the whole project cycle (as represented in Figure 1). Following these pathways (where relevant and applicable to the fund in question) would facilitate local ownership and political will to start implementing the project.

**Figure 1. Summary of the pathways for enhancing local ownership**



## References and Resources

Further information on the NAMA Facility selection process can be found in the General Information Document of the 7th Call for NAMA Support Projects, available at: [https://www.nama-facility.org/fileadmin/user\\_upload/7th\\_Call\\_General\\_Information\\_Document.pdf](https://www.nama-facility.org/fileadmin/user_upload/7th_Call_General_Information_Document.pdf)

Other resources:

- Action on Climate Today (2019): Enabling access to the Green Climate Fund: Sharing country lessons from South Asia, Learning Paper, available at: [http://www.acclimatise.uk.com/wp-content/uploads/2019/04/ACT-Green-Climate-Fund\\_Final.pdf](http://www.acclimatise.uk.com/wp-content/uploads/2019/04/ACT-Green-Climate-Fund_Final.pdf)
- Green Climate Fund Independent Evaluation Unit (2019): Independent Evaluation of the GCF's country ownership approach, available at: <https://ieu.greenclimate.fund/sites/default/files/document/200203-coa-final-report-no-decision-page.pdf>

# For more information

3 Thomas More Square  
London  
E1W 1YW

t: +44 (0)20 3059 5000

[www.ipsos-mori.com](http://www.ipsos-mori.com)  
<http://twitter.com/IpsosMORI>

## About Ipsos MORI Public Affairs

Ipsos MORI Public Affairs works closely with national governments, local public services and the not-for-profit sector. Its c.200 research staff focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. Combined with our methods and communications expertise, this helps ensure that our research makes a difference for decision makers and communities.

Ipsos MORI

