

## The NAMA Facility: A Learning Hub for Climate Action

Special Feature

### A Leading Player in Inspiring Ambitious Climate Action

The ongoing climate crisis requires urgent action to avoid further negative impacts on our planet and societies. Developing countries and emerging economies play a significant role in climate change mitigation, preventing additional emissions as they industrialise while achieving the benefits of sustainable development. Including these countries in global efforts towards carbon-neutral developments requires industrialised nations to support them with technical and financial assistance for their mitigation projects. As a result, transformational sector-wide shifts will contribute to limiting the global temperature rise.

As a strong agent against climate change and for the empowerment of its partner countries, the NAMA Facility renders a valuable contribution to the Paris Agreement. Countries can meet their Nationally Determined Contributions (NDCs) to the Paris Agreement through implementing mitigation actions, such as Nationally Appropriate Mitigation Actions (NAMAs). A set of policies and actions countries undertake to reduce greenhouse gas emissions, NAMAs act as building blocks to fulfil NDCs. From the NAMA Support Projects (NSPs) presented in Calls, the NAMA Facility selects the most promising and provides financing support to foster implementation.

### NAMA Facility's Mission: Competitive Calls for NAMA Support Projects

The NAMA Facility was founded in 2012 jointly by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Department for Business, Energy and Industrial Strategy (BEIS) of the United Kingdom. In 2015, the Danish Ministry of Energy, Utilities and Climate (EFKM) and the European Commission joined the programme as new donors, as well as the Children's Investment Fund Foundation (CIFF) in 2021. The NAMA Facility has earmarked EUR 667 m in funding

to hold open competitive Calls for applications and select NSPs. So far, the NAMA Facility has conducted seven Calls, not including the Ambition Initiative. As of December 2021, the portfolio includes 43 NSPs. Calls are open to all sectors and all Official Development Assistance (ODA)-eligible countries.

In 2020, the NAMA Facility launched the Ambition Initiative, which targets especially ambitious NSPs that aim to enhance their country's NDCs (more rapid or higher GHG reduction) while contributing to green recovery efforts from the Covid-19 pandemic. The Call especially reiterates the need for alignment with global partnerships, like the NDC Partnership and extends the scope to cover novel technologies. The Ambition Initiative also features higher upper funding volumes of EUR 25 m per NSP and offers disbursement of additional budget for highly successful NSPs. At COP26 in 2021, four projects were selected from Ambition Initiative outline submissions and Ambition Initiative - Round Two was launched.

### NSP Spotlight: Cutting Emissions from Rice Cultivation in Thailand

In Thailand, almost 60 per cent of agricultural emissions are caused by the rice sector. The NSP "Thailand Rice NAMA", started in 2018, strives to disseminate advanced farming techniques that will save 30 per cent of water usage and simultaneously cut the farmer's costs by 53 per cent, increase yields and profits, and enhance food safety. Above all, the transformation of cultivation practices will reduce annual emissions by 1.664 m t CO<sub>2</sub> e.



## NSP Spotlight: Renewable Energy in Chile

The NSP “Chile Self-Supply Renewable Energy NAMA” helps introducing decentralised alternative energy systems in small and medium enterprises to increase energy reliability, lower costs and create new job opportunities. Assessments showed that the NSP could directly reduce emissions by 1.5 m t CO<sub>2</sub> e. The NSP started in 2015 and has managed to establish a functioning Monitoring, Reporting, and Verification (MRV) system, raised awareness of renewable energies and increased the distribution of alternative energy systems, e. g. mini hydro-electric plants, photovoltaic systems, heat pumps, biogas, energy storage, and biomass.



The ambition criteria are:

### 1. Potential for Transformational Change

Applicants must prove that their NSP goes beyond gradual changes, is embedded in national strategies, and incorporates government commitments and national ownership. The NAMA Facility provides funds for a financial mechanism (e. g. revolving funds, loan subsidies, grants) and targets public and private leverage. It also supports projects through technical means (e. g. capacity building workshops for institutions involved, regulatory frameworks, technical assistance), enabling a catalytic effect that leads to scaling up and replicating initiatives.

### 2. Mitigation Potential

Each initiative must prove its potential for direct and indirect impacts that satisfy the objective of climate protection. Emissions reductions must be substantial and sustainable.

### 3. Financial Ambition

Each initiative must establish significant private sector participation and considerable public budget contribution. Only the conjunction of both establishes the interplay of regulatory restructuring and private incentive that accelerates transformation.

To illustrate the transformational potential of NSPs, the NAMA Facility’s Theory of Change represents NSPs as building blocks for the implementation of the NDC. As a results model, the Theory of Change outlines the NPS’s concepts through an overview of all necessary actions and their possible outcomes. It also provides a framework for improving monitoring, evaluation and continuous learning and bolsters the unique values of each individual NSP and the NAMA Facility as a whole. The Theory of Change establishes cooperative networks with agile and participatory agendas. Through these characteristics, the NAMA Facility supports NSPs that enable an interlocking of regulatory and financial interventions and effectively empowers developing economies.

## NAMA Facility’s Vision for the Future

The NAMA Facility functions as a learning hub that collects and shares best practices, gathers lessons learnt and monitors the progress of our partner countries’ NAMA Support Projects (NSPs). Such practices will help build the capacity of future applicants and set examples for other governments. Good practice examples of NSPs and the spirit of fearless learning will inspire others to raise ambition and replicate strategies and techniques. The learning hub strives to share such practices based on evidence. While the NAMA Facility contributes to climate protection efforts through tailor-made finance, countries around the world strengthen existing mitigation efforts to maintain a stable climate system.

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Date: January 2022

For further information: [www.nama-facility.org](http://www.nama-facility.org)

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Published by:

The NAMA Facility

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