

NAMA Facility annual report 2015

Executive summary

In 2015, following the announcement of Donors of the NAMA Facility at the COP 20 in Lima, two new Donors – the European Commission as well as the Danish Ministry of Energy, Utilities and Climate and Ministry of Foreign Affairs - joined the NAMA Facility. With this addition to the NAMA Facility, the collective funding for the 3rd Call for NAMA Support Projects in 2015 reached a volume of approx. EUR 85 million, bringing the accumulated funding under the NAMA Facility past the 200 million Euro mark.

Taking into consideration the integration of the new funding volume, BMUB commissioned GIZ and KfW with the continued implementation of the NAMA Facility. In parallel, Donors agreed on an amended governance structure of the NAMA Facility to allow the integration of new Donors.

The **3rd Call for NAMA Support Projects** was open from April to July 2015 and resulted in 42 submissions for NAMA Support Projects from 32 countries. Three NAMA Support Projects (China, Kenya, Colombia) were selected for appraisal by the NAMA Facility Board and announced at the high-level NAMA Facility Reception at the COP 21 in Paris. In addition, the NAMA Facility is working with the submitters of a number of other projects from the 3rd Call to assess the feasibility of these ideas in more depth for a second funding decision in the first half of 2016.

By the end of 2015, the NAMA Facility had five NAMA Support Projects under implementation. During the year, four projects received the NAMA Facility Board's approval for implementation: the **Low-Carbon Coffee NAMA Costa Rica**; the **Sustainable Urban Transport Programme Indonesia (SUTRI NAMA)**; the **Self-Supply Renewable Energy in Chile (SSRE NAMA; TC component)** and the **Sustainable Urban Transport NAMA Peru (TransPerú NAMA)**. These projects are expected to be at different levels of implementation in 2016.

The **Sustainable Housing NAMA in Mexico** that started implementation in 2014 has produced first results as capacity building measures for housing developers have been conducted and the national subsidy programme of the National Housing Commission has been adapted to prioritise new NAMA housing projects.

Two further NAMA Support Projects (**RAC NAMA Thailand** and **TOD NAMA Colombia**) have finalised the in-depth appraisal and submitted their full-fledged proposals for approval in 2015, while the in-depth appraisal of other NAMA Support Projects of the 2nd Call (**Biomass Energy NAMA Burkina Faso** and **Forestry NAMA Tajikistan**) as well as of the FC component of the SSRE Chile were still in progress by the end of 2015. The appraisal phase for the newly selected NAMA Support Projects of the 3rd Call was kicked off in December.

The NAMA Facility's objective is to demonstrate that climate finance can effectively support transformational change in partner countries, reduce greenhouse gas emissions and enhance low carbon development. Naturally, the success of the NAMA Facility is closely connected to the performance and success of the NAMA Support Projects. As by the end of

2015 de facto only one NAMA Support Project has been in implementation, the NAMA Facility has seen limited **progress towards the main objective of the NAMA Facility towards emission reductions**. Some first progress could be achieved in leveraging public finance (M4 indicator) and strengthening capacities in the private sector.

The NAMA Facility's **Theory of Change** and Logframe as well as its **Monitoring and Evaluation Framework** were approved by Donors in 2015; the latter was published as a binding guidance document for selected NAMA Support Projects in November 2015. With its five mandatory core indicators, the Monitoring and Evaluation Framework provides a basis for progress reporting and for measuring the success of the NAMA Facility at an aggregated level. Also, the framework defines the sequence and management of evaluations of NAMA Support Projects and the overall NAMA Facility. In 2015, preparations for an independent mid-term evaluation of the NAMA Facility have started.

Lessons learned processes have become an integral part of the NAMA Facility, which understands itself as a learning hub for NAMA implementation. Regular feedback calls are offered to applicants; aggregated lessons learned from each Call are discussed with donors and published at the NAMA Facility's website (new factsheets on lessons learned have been finalised and will be published in the beginning of 2016). Furthermore, lessons learned serve also as an input to NAMA-related publications of third parties. As the learning process is understood as a two-way process, the NAMA Facility seeks feedback from applicants, partner governments and the wider NAMA community, among others through an online survey at the beginning of 2015, during regular feedback calls and through interviews conducted by an independent expert at the COP 21 in Paris.

With lessons learned from the NAMA Facility's first three Calls for NAMA Support Projects and in the light of the results of the COP 21 in Paris and the operationalisation of the Green Climate Fund, the Donors of the NAMA Facility have initiated a **reshaping process of the NAMA Facility** in 2015, among others by engaging in an external stakeholder consultation process. The broader discussion will be continued in 2016.