

BRIEFING NOTE: THE FUTURE ROLE OF THE NAMA FACILITY IN UNLOCKING FINANCE FOR AMBITIOUS MITIGATION ACTIONS: 13 NOVEMBER 2017

This event convened on 13 November 2017, in Bonn, Germany, on the sidelines of the 23rd session of the Conference of the Parties (COP 23) to the UN Framework Convention on Climate Change (UNFCCC). It was organized by the NAMA Facility, the Governments of Germany, UK and Denmark, and the European Commission. The aim of the event was to demonstrate the joint commitment of developing countries and donors to continued financing and implementation of ambitious and transformational Nationally Appropriate Mitigation Actions (NAMAs) to support the Paris Agreement.

Ash Sharma, NAMA Facility, moderated the event. Rita Schwarzelühr-Sutter, Parliamentary Secretary of State, Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), Germany, pointed to the growing portfolio of projects in the NAMA Facility, highlighted lessons learned, and announced a contribution of €30 million from Germany to the Facility for the fifth call for proposals for enabling finance for ambitious mitigation action.

Lauding UK and German cooperation as founding members of the Facility, Peter Betts, UK, announced that the UK would contribute £40 million towards the fifth call for proposals. He highlighted that the Facility has borne out its original intention of having a transformational approach to tackling climate change, citing the scaling-up of a sustainable coffee project in Costa Rica. Betts, however, acknowledged that most of the Facility's funds have been disbursed to middle-income countries, and that concern had been expressed about the lack of projects in small island developing states (SIDS). He noted an increase in the UK's contribution for the fifth call, and encouraged SIDS to apply.

Marcelo Mena Carrasco, Minister of Environment, Chile, highlighted practical challenges relating to the energy transition in his country. He explained that, in 2011, rapid development resulted in high energy demand, increasing costs and a lack of investment in the sector, which led to social unrest and a backlash against non-renewable energy. He said a roadmap was subsequently developed comprising carbon and pollution taxes, which has helped to clean up the sector and created conditions for cleaner and cheaper energy, with solar PV now selling in Chile at half the price of coal. He acknowledged that the low price for solar PV impacted base load capacity generators and suggested that adjustments in policy to recognize base load and other complimentary services were required.



L-R: **Mariana Rojas**, Colombia; **Rita Schwarzelühr-Sutter**, Parliamentary Secretary of State, BMUB, Germany; **Marcelo Mena Carrasco**, Minister of Environment, Chile; **Peter Betts**, UK; and **Ash Sharma**, NAMA Facility

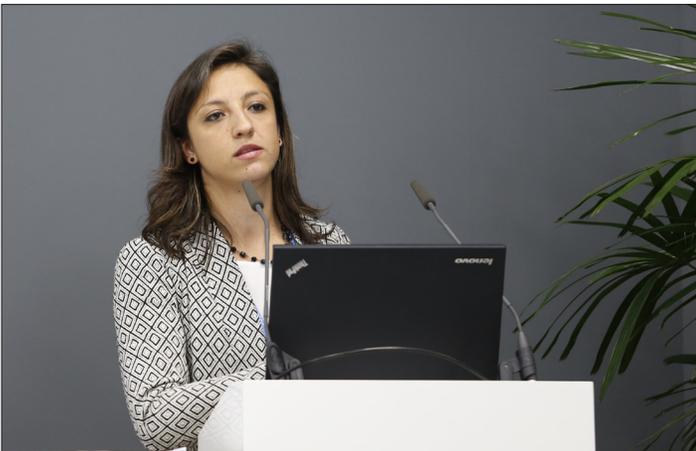


Roberto Ridolfi, European Commission, called for creating jobs using innovative financing instruments and schemes.

Mena Carrasco provided an overview of the NAMA self-supply renewable energy project, which aims to reduce greenhouse gas (GHG) emissions by fostering renewable energy systems in small and medium-sized businesses. He said the project targeted biogas, smaller scale solar PV, wind and geothermal energy that incorporates a platform for measurement, reporting and verification (MRV).

Roberto Ridolfi, European Commission, suggested that appropriate mitigation must also generate jobs with one of the easiest investments being a decentralized off-grid investment with a solar power plan. On challenges regarding the requisite power purchasing agreement and the possible need for cross-subsidies, he noted the need for financial incentives such as financial guarantees for investors.

Mariana Rojas, Colombia, discussed a NAMA for the domestic refrigeration sector in Colombia, explaining that it is aimed at transforming the sector towards more climate-friendly, energy efficient appliances. She highlighted three project components (production, replacement and final disposal), noting that outputs include a framework for disposal and replacement and the development of an MRV framework for monitoring emission reductions.



Mariana Rojas, Colombia, emphasized private sector engagement in the domestic refrigeration NAMA.



Jorge León Wolpert Kuri, Mexico, noted that the housing NAMA in Mexico has surpassed its objectives.

Jorge León Wolpert Kuri, Mexico, highlighted the first housing NAMA funded by the Facility, which has benefited 92,000 Mexicans and surpassed its objectives. He explained that there is a high demand for new homes in Mexico in the low-income sector, and that the current focus is on making houses more energy efficient using a “whole house approach,” which is reinforced by subsidies for those purchasing homes under this scheme.

Asger Garnak, Denmark, said the NAMA Facility needs to be catalytic and that “trillions” are needed for investments on the ground. He noted a demand for expertise, the need to put in place a regulatory framework, and de-risking models and instruments. Noting that a lot could be done at the country level with limited resources, he called for a focus on coherent investments and expressed confidence that the Facility would remain relevant despite the challenge of project definition.

During the ensuing discussion, questions were raised on, *inter alia*, implementation of the housing NAMA, the NAMA focal point in Colombia, and specific procedures for accessing the Facility.



Participants during the event