



Nordic Partnership Initiative:

# NAMAs as a tool for NDC implementation

– options for financing



#### Facts about the Nordic Partnership Initiative (NPI):

- Established in 2011 to support climate change mitigation in developing countries
- Funded by Denmark, Finland, Iceland, Norway, Sweden, NEFCO and NDF, and implemented in co-operation with Peru and Vietnam
- NAMA Readiness Programmes completed in Peru's municipal solid waste sector and Vietnam's cement sector by 2016
- Now the two NAMAs are moving to implementation phase, and assessing funding options

#### Glossary:

**NAMA** = Nationally Appropriate Mitigation Action

**NDC** = Nationally Determined Contribution (to the Paris Agreement)

**Under the Nordic Partnership Initiative (NPI), the Nordic governments in cooperation with the Nordic Development Fund (NDF) and the Nordic Environment Finance Corporation (NEFCO) have supported readiness to design and implement robust climate action within the cement sector in Vietnam and the waste sector in Peru, in close partnership with the implementing countries. Readiness activities have now resulted in comprehensive NAMA proposals that hopefully can attract financing from various sources, including carbon markets.**

#### The Paris Agreement requires climate action by all countries

For the first time in history, all countries have agreed to limit their greenhouse gas emissions. The Paris Agreement requires countries to prepare, implement and regularly update Nationally Determined Contributions (NDCs) on climate action. Frameworks will be developed for reporting on emissions and tracking progress towards NDCs and global goals, as well as for providing support and engaging in cooperation to implement and enhance NDCs.

#### NAMAs pave way for NDC formulation and implementation

"We will not start from scratch at the country level when implementing the Paris Agreement", notes Terje Kronen, the NPI Chair from the Norwegian Ministry of Climate and Environment. "Many countries already had carried out Nationally Appropriate Mitigation Actions (NAMAs) and thus paved the way for the NDCs."

The concept of NAMAs originated in 2007 as an international framework for developing countries' voluntary mitigation action blueprints. Many NAMAs target mitigation at sectoral or even national scale and thus serve as valuable building blocks for formulating NDCs, as well as for implementing them.



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Dr. Le Trung Thanh, Director General, Ministry of Construction of Vietnam

#### **NPI publications:**

NPI on Nordic Council of Minister’s website:  
[www.norden.org/npi](http://www.norden.org/npi)

Peru waste NAMA documents on Nordic Environment Finance Corporation (NEFCO) website:  
<http://www.nefco.org/work-us/our-services/climate-funds/nordic-partnership-initiative-and-namas/npi-peru-programme>

Vietnam cement NAMA documents on Nordic Development Fund (NDF) website:  
<http://www.ndf.fi/project/nordic-partnership-initiative-pilot-programme-ndf-c34>

#### **What’s happening next?**

Nordic side event in Marrakech COP-22:

**NAMAs as a tool for (I)NDC implementation** – Lessons learned and plans ahead

**Monday, 14 November 2016, 11.30-13.00, room Pacific**  
Please join us to hear more!

“The beauty of NAMAs is that they provide incentives to national authorities to explore the opportunities for mitigate greenhouse gases based on national circumstances and capacities”, says Terje Kronen. “The experience is that national ownership is essential in the efforts to implement the measures”, he adds.

#### **Nordic support helps concrete mitigation blueprints to access financing**

The NPI has supported the development of comprehensive, financeable NAMA proposals in Vietnam and Peru that can attract financing from a variety of sources. “Official Development Aid (ODA) will be insufficient to cover the investments needed globally. Financing from the carbon market is an opportunity”, Terje Kronen points out.

A key to attracting financing for a NAMA is a robust system for the monitoring, reporting and verification (MRV) of its mitigation outcomes. A robust MRV system reassures donors, markets and the international community that the NAMA delivers real and measurable climate benefits, and facilitates access to emissions trading and results-based finance. “NAMAs like the Nordic Development Fund co-funded cement NAMA in Vietnam provides a good basis for that”, says Martina Jägerhorn from the Nordic Development Fund (NDF).

The readiness programmes covered emission inventories and MRV systems, assessment of mitigation potential and costs as well as financing options, legal and institutional frameworks, stakeholder engagement and capacity building. “This helps confirm that the cement NAMA plays a key role for cement sustainable development in Vietnam in the future”, says Dr. Le Trung Thanh, Director General from the Ministry of Construction of Vietnam. “The cement sector will definitely be integrated into Vietnam’s NDC. Therefore, the cement NAMA is expected to gain more finance support from domestic resources as well as international resources”, he continues. According to Dr. Thanh, “the vision for the future of the cement sector in Vietnam includes that that the sector is sustainable, contributes to social-economic development and reasonable utilization of natural resources, and protects the ecological, historical and cultural environment. The cement NAMA is considered as one efficient solution to support the development of the sector towards the above vision”.

Regina Ortega from the Ministry of Environment of Peru emphasises the role of the waste NAMA in the implementation of Peru’s NDC: “The Peruvian NDC contemplates a reduction of 30% by 2030 compared to the projected GHG emissions in a Business as Usual scenario. The potential



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Terje Kronen, Norwegian Ministry of Climate and Environment

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for mitigation in the waste sector is 4%.” Regarding the financing options for the solid waste NAMA, Ortega adds “The solid waste management is the responsibility of local governments, so investments will be of public or private sources for the implementation of these initiatives, and international cooperation also has a significant participation in this process. It is also expected that the solid waste NAMA will apply to international funds such as the NAMA Facility”.

Martina Jägerhorn from NDF is positive about the financing opportunities for NAMAs: “As long as the fulfilment of the NDCs comes on the top of the agenda of the countries priorities, NAMAs have good chances of attracting international and national, as well as public and private financing”, says Jägerhorn. “NDF and other international financing institutions are to an increasing extent channelling financing to support the implementation of partner countries’ NDCs”, she concludes.

**Peru’s Waste Sector NAMA activities continue**

The Nordic Environment Finance Corporation (NEFCO) is currently moving forward together with Peru towards the actual implementation of the waste NAMA. “We are excited to continue the NPI work linked to Peru’s NAMA activities as the first phase was successfully completed last year”, says Kari Hämekoski from NEFCO. He adds: “In Phase 2, we plan for example to analyse public and private financial mechanisms and policy instruments for selected cities. A detailed look of enabling conditions needed to create supply and demand of municipal solid waste compost in Peru is also scheduled. Further activities will also be considered in close collaboration with the Ministry of Environment of Peru.”