

TC ABSTRACT

Regional Support for the Development of Nationally Appropriate Mitigation Actions (NAMAs)

RG-T2357

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Regional Support for the Development of Nationally Appropriate Mitigation Actions (NAMAs)
▪ TC Number:	RG-T2357
▪ Team Leader/Members:	Carlos Ludeña Team Leader, Claudio Alatorre, Christiaan Gischler, Rafael Acevedo, Gloria Visconti, Gerard Alleng, Francisco Arango, Jaime Fernandez, Sandra Enriquez Polo, Sara Valero, Laura Mondragón and Emiliano Detta.
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client support
▪ Reference to Request ¹ : (IDB docs #)	Honduras (37720194), Uruguay (37776561), Peru (37776560).
▪ Date of TC Abstract:	May 2013
▪ Beneficiary:	Latin America and the Caribbean Region (LAC)
▪ Executing Agency and contact name	BID. Carlos Ludeña (INE/CCS)
▪ IDB Funding Requested:	USD\$1,500,000
▪ Local counterpart funding, if any:	USD\$300,000
▪ Disbursement period (which includes execution period):	36 months
▪ Required start date:	August 2013
▪ Types of consultants:	Firm and individual consultants
▪ Prepared by Unit:	INE/CCS
▪ Unit of Disbursement Responsibility:	INE
▪ Included in Country Strategy (y/n);	Y
▪ TC included in CPD (y/n):	N
▪ GCI-9 Sector Priority:	Protect the environment, respond to climate change, promote renewable energy and ensure food security.

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to support Latin America and the Caribbean (LAC) countries in the design and development of Nationally Appropriate Mitigation Actions (NAMA), in particular those aligned with IDB's Climate Change Action Plan, focused on initiatives and investments supported by the IDB group. This TC is aligned with the Ninth General Capital Increase (GCI-9) as it contributes to "assist borrowing countries in climate change mitigation and adaptation issues, sustainable and renewable energy, and environmental sustainability".

¹ A copy of the Letter of Request, Programming/Portfolio Review Mission Aide Memoire or Report requesting the TC should be submitted with the Abstract.

- 2.2 NAMAs are an emerging policy instrument which provides a mechanism for financing, technology transfer and capacity building to up-scale the efforts aimed at mitigating the effects of climate change in accordance with national circumstances and priorities. The NAMA concept was introduced to the political realm in the Conference of Parties (COP 13) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2007², and later included in the Copenhagen Accord issued following the COP 15 in December 2009. As of May 2013, LAC countries that have officially submitted information to the NAMA registry of the UNFCCC, seeking recognition or support for the preparation and/or implementation of their NAMAs include Chile, Dominica, Dominican Republic and Uruguay. Other LAC countries that are already working on NAMAs include, inter alia, Argentina, Costa Rica, Colombia, Ecuador, Mexico and Peru.
- 2.3 The NAMA instrument has gained momentum in light of recent discussions on the future architecture of the international climate change regime. The UNFCCC registry shows that many countries have expressed their interest in developing NAMAs (including three of the IDB borrowing member countries), which again opens a potential window for support from development institutions such as the IDB. In this context, the Bank has been approached by several borrowing member countries eager to receive support in their efforts to develop NAMAs, including Argentina, Barbados, Chile, Ecuador, Honduras, Paraguay, Peru, and Uruguay. The scope of the work envisioned under this operation is not limited to only these countries; it is open to any member country that expresses interest in developing and implementing a NAMA.

III. Description of activities

- 3.1 Depending on the needs of a particular country, conditions and demand parameters may vary for the development of NAMAs. For this reason, the envisioned components for the project are:
- A. **Component 1. Identification and feasibility assessment of NAMAs.**
- 3.2 This component will assess the feasibility of potential NAMAs or NAMAs already proposed by Governments. The activities proposed under this component include: (i) identification and prioritization of possible interventions to be implemented; (ii) quantification of Green House Gas (GHG) emissions and GHG emissions reductions for the identified interventions; (iii) estimation of development benefits; (iv) quantification of financial needs associated to the proposed NAMA; (v) assessment of financial, technical, regulatory and capacity barriers; (vi) recommendations on Measurement, Reporting and Verification (MRV); (vii) risk assessment; and (viii) stakeholder analyses of the proposed NAMAs. As a result, the project team expects that at least four countries in LAC complete the preparation of these kinds of studies.
- B. **Component 2. Detailed design of NAMAs.**
- 3.3 This component will further develop proposed NAMAs including detailed economic analyses, development of detailed MRV systems, policy or regulatory studies, detailed implementation program plans, capacity building and institutional development, development of robust financing plans and mechanisms, and any other necessary elements of an existing NAMA to be developed. The main output of this component will be the

² Bali's action plan describes NAMAs: "Nationally Appropriate Mitigation Actions in the context of sustainable development supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner."

development of at least three NAMAs in beneficiary countries. These activities will support all the necessary elements to develop Bank operations associated with those NAMAs.

C. Component 3. Implementation and Dissemination of NAMAs.

- 3.4 This component involves assistance to the implementation of feasible NAMAs through specific activities to: (i) ensure commitment by key stakeholders; (ii) identify possible support sources and leverage additional financial resources; (iii) integrate proposed NAMAs to national policies or regulation; and (iv) develop partnerships and disseminate knowledge about NAMAs in workshops or other events. At least two events where the NAMAs are presented to international stakeholders and potential supporters will be organized.

IV. Budget

Activity/Component	Description	IDB/Fund Funding (USD)	Counterpart Funding (USD)	Total Funding (USD)
Component 1. Identification and assessment of NAMAs	Assessment of the feasibility of potential NAMAs	\$300,000	\$60,000	\$360,000
Component 2. Detailed design of NAMAs.	Develop specific areas of proposed NAMAs as needed by the CT's beneficiaries	\$1,000,000	\$200,000	\$1,200,000
Component 3. Implementation and Dissemination of NAMAs	Support to the implementation of feasible NAMAs	\$200,000	\$40,000	\$240,000
Total		\$1,500,000	\$300,000	\$1,800,000

V. Executing agency and execution structure

- 5.1 This TC will be Bank executed as it has a regional outreach and there is limited knowledge about NAMAs in the region. INE will retain the Unit of Disbursement Responsibility (UDR) and will also be responsible for procurement and execution. Technical responsibility will be with the Climate Change and Sustainability Division (INE/CCS) in close cooperation with other Divisions of the bank such as Energy (INE/ENE), Environment, Rural Development Disaster Risk Management (INE/RND), Water and Sanitation (INE/WSA), Transport (INE/TSP), Capital Markets and Financial Institutions (IFD/CMF) and the Vice Presidency for the Private Sector (VPP).

VI. Project Risks and issues

- 6.1 The main risk of the TC is that the NAMAs carried out through this operation do not receive support from international donors. However, this risk will be mitigated by incorporating a specific activity under the third component of the operation, which focuses on seeking international financing for these initiatives, as well as the dissemination of the knowledge produced.

VII. Environmental and Social Classification

- 7.1 The project team does not anticipate that the activities financed with this TC will have negative direct social or environmental impacts. Therefore the team considers that, according to the Bank's Safeguards Screening Toolkit, this operation should receive a "C" Classification: (i) no environmental or social risks; (ii) direct contribution to solve an environmental issue.