

on Mitigation and MRV





NAMA Design and Preparation: Consultation on Selecting Priority NAMAs for Lebanon

May 22, 2013 Beirut, Lebanon

Summary Report







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Overview

The national workshop¹ on "Nationally Appropriate Mitigation Action Design and Preparation: Consultation on Selecting Priority NAMAs for Lebanon" was held on May 22, 2013 in Beirut, Lebanon, by the Lebanese Ministry of Environment (MoE) and the United Nations Development Programme (UNDP), supported by the International Partnership on Mitigation and MRV, and KPMG. The workshop took place within the framework of the Low-Emission Capacity Building Project (LECB) in Lebanon.

The workshop allowed experts and stakeholders² from public and private institutions as well as the academic sector, to get acquainted to the concept of NAMAs, requirements under the NAMA Registry, available funding sources, a case-study on NAMA development and an overview of the various mitigation options locally identified as a first NAMA list.

The one-day workshop was based on an approach combining theory and practical case-study. The first part featured a conceptual overview of NAMAs, focusing on the required steps to develop a NAMA and opportunities for implementing them. In the second part of the workshop, the proposed selection criteria were presented, with feedback from the stakeholders. Following which, 13 NAMA ideas, developed by various national entities were presented and discussed. The originally planned prioritization exercise was not done, in order to give more time in the discussion of the selection criteria. The workshop resulted in the addition of two "requirement criteria" that would make the NAMAs eligible, followed by another 2 criteria added on the proposed selection criteria.

Objectives of the workshop

- To serve as a learning exercise of a process that will be conducted periodically in Lebanon (Review of NAMA-ideas) capacity building of the relevant stakeholders
- To understand the national process and the approach used in moving the NAMA portfolio forward
- To validate the selection criteria proposed by the Ministry of Environment
- To showcase the first group of identified NAMA ideas and discuss the way forward

National Policy Context for the development of NAMAs in Lebanon

- 1993: Establishment of the Ministry of Environment
- 1994: Ratification of the United Nations Framework Convention on Climate Change
- 1999: Submission of the Initial National Communication to the UNFCCC
- 2002: Promulgation of Law 444 (Protection of the Environment)
- 2003: Preparation of the 1st Technology Needs Assessment
- 2006: Ratification of the Kyoto Protocol

¹ Agenda in annex 1.

² List of Attendees is attached in Annex 2.

- 2007: Designation of the Ministry of Environment as the Designated National Authority for the Clean Development Mechanism under the Kyoto Protocol³
- 2009: Voluntary commitment of 12% renewable energy by 2020
- 2010: Approval of the Policy Paper of the Energy Sector developed by the Ministry of Energy and Water (including 12% target by 2020)
- 2011: Submission of the Second National Communication to the UNFCCC
- 2011: Approval of the National Energy Efficiency Action Plan
- 2012: Preparation of the 2nd Technology Needs Assessment
- 2012: Establishment of the National Council for the Environment
- 2013: Designation of the Ministry of Environment as the National Coordinator of the Nationally Appropriate Mitigation Actions
- 2013: Decision 99/1 on Guidelines for GHG Reporting

Coordination by the Ministry of Environment to promote low emission development in Lebanon

The Ministry of Environment, with funding from the Lebanon Recovery Fund, has established a climate change coordinating unit under the pseudonym of "The National Action Programme to Mainstream Climate Change into Lebanon's Development Agenda". Overall, this project will pave the way for a national Low Emission Climate Resilient Economy, by providing directives through the elaboration of national low emission climate resilient development strategies, and by mainstreaming climate change concepts and tools into national and sector development plans and by developing pilot projects and initiatives. Through the National Council for the Environment, the unit will coordinate and involve the various ministries in a high-level discussion on climate change, encompassing NAMAs, and study the appropriate multiple instruments for climate change finance, including market based instruments, grants or concessional finance and fiscal instruments, in close coordination with the Ministry of Finance.

Workshop Proceedings⁴

Following the welcoming note delivered by the representatives of the United Nations Development Programme and the Ministry of Environment, the workshop started with an introductory presentation on the objectives of the Global Low Emission Capacity Project, followed by the components of the local LECB project.

The Mitigation and MRV Partnership's NAMA tool — a step-by-step guide for moving a NAMA from idea towards implementation was then presented, providing a brief instructions on how to develop a NAMA (http://mitigationpartnership.net/sites/default/files/nama_tool_8_6.pdf), navigating through the relevant information, knowledge, instruments, and publications available.

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³ To date, Lebanon succeeded in registering 7 CDM projects.

⁴ Presentations are attached in Annex 3. They can also be accessed at: http://www.mitigationpartnership.net/workshop-nama-design-and-preparation-consultation-selecting-priority-namas-lebanon

Information on the UNFCCC's NAMA Registry (https://unfccc.int/cooperation-support/nama/items/6945.php) with potential funding sources was then provided.

A case-study on developing a NAMA (Transport) was presented providing an overview of "on the ground" experience and difficulties while developing a NAMA.

A six-steps NAMA governance was then presented to the stakeholders, explaining the procedures to follow in Lebanon while developing a NAMA⁵. The proposed selection criteria, along with the suggested weights for multi-criteria analysis were then introduced to the stakeholders for consideration, discussion and validation as indicated in table 1.

Table 1. The proposed selection criteria with their weights

| Criteria | Weights | Comments |
|---|---------|--|
| GHG reduction potential | 1.5 | The GHG reduction potential is expressed in terms of amount of CO _{2eq} avoided every year from the implementation of each NAMA project idea. It is roughly estimated at this stage and will be more elaborated at the project preparation stage. |
| Co-benefits | 1 | |
| Economic co-benefits | | It includes economic growth, improved livelihoods, increased household income, energy security, etc. |
| Social co-benefits | | It includes poverty reduction, improved lifestyle, improved use of time, improved public services etc. |
| Environmental co-benefits | | It includes improved local air quality, improved waste management, etc. |
| Adaptation to Climate Change | | It includes improved water availability, reduced soil erosion, reduced deforestation, etc. |
| High level political support | 2 | Proposed actions should be in line with the government's national or sectoral priorities and should build upon and feed into existing initiatives. |
| MRV- ability | 1.5 | The MRV-ability of a proposed NAMA is expressed in terms of availability of a baseline, indicators for actions and milestones that would facilitate the monitoring of the GHG reductions resulting from the project. |
| Institutional readiness to implement | 2 | The institution that has the mandate to execute the NAMA project idea should have the necessary institutional, technical, managerial and human capacities to implement the proposed project. |

⁵ See Annex 4.

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The afternoon session was dedicated to the presentation of 13 NAMA ideas encompassing the energy, waste and transport sectors:

- 1. Waste-to-Energy (75.5 MW) supporting the national 12% RE target by the Ministry of Environment;
- 2. Anaerobic digestion and electricity generation (15-25 MW) supporting the national 12% RE target by the Ministry of Environment (as part of the 2nd TNA outputs);
- 3. Photovoltaic power station (10 MW) supporting the national 12% RE target by the Ministry of Environment (as part of the 2nd TNA outputs);
- 4. Enhancing hydropower potential (233 MW new generation + 92 MW rehabilitation) supporting the national 12% RE target by the Ministry of Energy and Water (as part of the Policy Paper of the Energy Sector);
- Large wind farm (500 MW) supporting the national 12% RE target by the UNDP Country Energy Efficiency and Renewable Energy Demonstration Project for the Recovery of Lebanon (as part of the Policy Paper of the Energy Sector);
- 6. Enhancing micro-hydropower potential (5 MW & more) supporting the national 12% target by the Ministry of Energy and Water (as part of the Policy Paper of the Energy Sector);
- 7. Rehabilitation of the Zouk and Jieh power plants to restore performances and reduce emissionsby the Ministry of Energy and Water (as part of the Policy Paper of the Energy Sector);
- 8. Waste-to-Energy from Wastewater treatment plants: Energy from Waste water Sewage Sludge in Lebanon (7.32 MW to 11.68 MW) by the Ministry of Energy and Water;
- 9. HFO conditioning solution for the conventional thermal power plants of Zouk, Jieh and Hreiche to reduce emissions and HFO consumption by the Ministry of Energy and Water (as part of the Policy Paper of the Energy Sector);
- 10. Scaling up renewable energy and energy efficiency in the Lebanese building sector by the Lebanese Center for Energy Conservation (as part of the National Energy Efficiency Action Plan);
- 11. Passenger cars swap programme by fuel efficient vehicles by the Ministry of Environment (as part of the 2nd TNA outputs);
- 12. Passenger cars swap programme by hybrid electric vehicles by the Ministry of Environment (as part of the 2nd TNA outputs)⁶;
- 13. Bus mass transit on dedicated lanes by the Ministry of Environment (as part of the 2nd TNA outputs).

The main discussion during the workshop revolved around three items: 1) proposed selection criteria; 2) proposed weights, and 3) suitability of the proposed NAMA ideas to be developed into NAMAs.

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⁶ This and the previous NAMA idea (fuel efficient vehicles and hybrid electric vehicles) have been combined into one NAMA idea

Workshop Conclusions

From the proposed criteria, discussions stressed on the importance of "ownership" of the proposed NAMAs from the initial stages and the importance of institutional support to bring NAMA from initial concepts to a solid proposal.

The observations made during the workshop resulted in the addition of two "requirement criteria", which would allow the Ministry of Environment to determine whether the 13 NAMA ideas comply with the following pass/fail "required criteria":

- 1. Identified financing source and type, i.e., whether the proposed idea has already an allocated budget in which case it could be further considered as a "unilateral NAMA", and whether the funding in from a national source as opposed to an external funding source not originally allocated/earmarked as climate financing but is official development assistance to Lebanon. If the entire NAMA idea is funded by ODA, it cannot be considered as NAMA-able. If a portion of the funding is already secured from ODA or government funding, only the additional funding requirements can be requested through a NAMA process in which case the allocations have to be clearly identified and tracked.
- 2. Transformational, i.e., whether the proposed NAMA idea is a one single action that would not lead to a e.g., market or policy transformation leading to a low emission strategy. That is a NAMA should strive for strategic, long-term sustainable development benefits beyond mere GHG emissions reductions and aim at catalysing transformation of the national or sectoral development towards a less or low carbon development path.

Only the NAMA ideas that pass the pre-qualification selection will be further considered as part of the prioritization process.

Two additional criteria were proposed to the ones presented (see table 1):

- 1. Market readiness: to what extend the market is ready (barriers/opportunities) to pick up the proposed technology/plan/strategy;
- 2. Financial attractiveness: feasibility in attracting NAMA financing in terms of achieving maximum impact (catalytic in overcoming policy, market, financial, or technological barriers) with available funding, providing a sense of cost-effectiveness of the proposed NAMA.

As for the weights, initially, it was proposed to increase the "GHG reduction potential" and "co-benefits" weights from 1.5 to 2, and from 1 to 2 respectively. However, after intensive discussions it was agreed to have a two-level weighting approach; the first one ranging from 1 to 3 and indicating the ranking of the NAMA idea vis-a-vis the selection criteria (e.g., if the "GHG reduction potential" of the NAMA idea is high, then the score would be 3 – if medium, then 2 – if low, then 1; if the "institutional readiness to implement" is high, then the score would be 3 - if medium, then 2 – if low, then 1).

Following this ranking, ranking of the different criteria compared to each other is conducted (giving preferential scores out of 100 to the criteria that are deemed more important). The final score is the result of the multiplication of the ranking score with the preferential score. The total is obtained by

multiplying the relevance/ranking score with the preferential score. Table 2 depicts the new selection criteria with the weighting system.

Table 2. The selection criteria with their weights

| Criteria | Ranking score (1, 2 or 3) | Preferential score (out of 100, i.e. the total of this column should be 100) | Total |
|--|------------------------------|--|-------|
| GHG reduction potential | 1 (3) | 30 | |
| Co-benefits | 2 (1) | 30 | |
| Economic co-benefits | | | |
| Social co-benefits | | | |
| Environmental co-benefits | | | |
| Adaptation to Climate Change | | | |
| High level political support | 2 (3) | 15 | |
| MRV- ability | 3 (2) | 10 | |
| Institutional readiness to implement | 1 (2) | 5 | |
| Market readiness | 2(1) | 5 | |
| Financial feasibility | 1 (3) | 5 | |

Other observations from the workshop included the benefits of using existing national documents (reports/policies/plans) such as the national communications and technology assessment reports, the policy paper for the energy sector, the national energy efficiency action plan, and the various renewable energy national potential assessments (wind atlas, and bioenergy potential) in drawing a first list of NAMA ideas.

However, the factsheets representing the NAMA ideas should have comparable level of details to better inform the prioritization exercise and to ensure a fair comparison process to assign priorities.

Next Steps

It is important to continue the engagement of the different stakeholders, and further clarify the NAMA process. Capacity building should also be assessed and the buy-in of the various institutions sought before taking further the NAMA ideas. This will be done on bilateral basis given that the number of the stakeholders presenting NAMA ideas (other than the Ministry of Environment) is not high.

The NAMA factsheets should be brought up to comparable levels in order to provide a more sound assessment tools. The project will conduct a series of bilateral meetings with the counterparts who proposed NAMA ideas during this workshop, in order to clarify the decisions taken during the workshop, and finalise the prioritization workshop. This would serve an opportunity to fine tune the proposals, and concentrate on the most promising NAMA ideas. Following that, the amended selection criteria and process will be shared with the stakeholders for scoring, in order to finalise the prioritization process. A follow-up workshop is planned to take place in August 2013 at the Ministry of Environment.

Annexes

Annex 1. Agenda

Annex 2. List of Participants

Annex 3. Presentations

Annex 4. NAMA institutional arrangements for Lebanon

Annex 1. Agenda

NAMA DESIGN AND PREPARATION:

Consultation on selecting priority NAMAs for Lebanon

Holiday Inn Verdun

Beirut - May 22, 2013

| Agenda | | | | |
|-----------|---|----------------------------------|--|--|
| Time | Sessions | Potential speakers | Objective of the session | |
| 9.00-9.30 | Registration | | | |
| 9.30 | Welcoming notes/opening | UNDP MoE | - To introduce the objectives of the workshop | |
| 9.35 | Introduction of the Global LECB Programme & the national LECB project | Yamil Bonduki Vahakn Kabakian | - To introduce the context of the workshop within the LECB project | |
| 9.45 | NAMA Tool part 1 Definitions and development of NAMAs: a step by step guide Q&A | MRV Partnership | To defines NAMAs and the types of NAMAs To present the steps needed to proceed from NAMA design to implementation (baseline, GHG reduction potential, etc.), including institutional arrangements | |
| 10.15 | Coffee break | | | |
| 10.40 | NAMA Tool part 2 Technical aspects and requirements of NAMAs (other than GHG reduction) - National Capacity - Co-benefits - Elements of MRV | MRV partnership | To present the elements to consider when developing a NAMA, To explain the potential MRV consideration at the different NAMA development stages | |
| | Q&A | | | |
| 11.10 | International commitments of submitting NAMAs to UNFCCC NAMA Registry, and potential funding sources Q&A | Yamil Bonduki | To present the NAMA Registry To highlight the benefits and commitments of submitting NAMAs to the Registry To present funding sources | |
| 11.30 | Case Study: From design to implementation - private sector involvement and donor funding requirements Q&A | KPMG | - To illustrate a concrete example elaborating on the above sessions | |
| 12.00 | National institutional arrangements and consultation on | Vahakn Kabakian | - To clarify the role of MoE as official coordinating entity | |

| | NAMA selection criteria Consultation and Discussion session facilitated by Yamil Bonduki | | - To present and validate the NAMA selection criteria |
|------|--|-------------------------------|--|
| 1.00 | Lunch | | |
| 2.00 | NAMA options for Lebanon – 1 st Long-list | MoE with partner institutions | - To showcase the potential concept ideas for Lebanon, based on prepared sectoral factsheets |
| 3.00 | Discussion: Prioritization of NAMAs concepts for Lebanon – simulation exercise | MoE/GSU/MRV/KPMG | Prioritization exercise/simulation using Multi-criteria Analysis |
| 3.45 | Coffee break | | |
| 4.00 | Discussion: Prioritization of NAMAs concepts for Lebanon – simulation exercise - continued | MoE/GSU/MRV/KPMG | Prioritization exercise/simulation using Multi-criteria Analysis |
| 4.45 | NAMAs in Lebanon: Next Steps | MoE | - To draw the future steps and workplan |

Annex 2. List of Participants

| | Name | Institution | Email | Phone |
|-----|-----------------|-------------------------|--|----------------|
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| | | Reconstruction | | 00.00000 |
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Annex 3. Presentations



Why reduce GHG emissions?



The international perspective

- Without global commitment, unable to achieve target of limiting average global temperature rise to 2C above preindustrial levels
- Bali Action Plan (2007): Parties agreed to targets for developed countries and NAMAs for developing countries
- To access the Green Climate Fund: Countries will submit programmes and funding plans based upon national development and climate change strategies

Why reduce GHG emissions?



The national perspective

For most developing countries, mitigation must be seen in context of social and economic development, including poverty eradication

- Cost savings: \$1 additional invested in more efficient electrical equipment, appliances and buildings avoids more than \$2 of investment in electricity supply (IEA, 2006)
- Energy Security: CC mitigation can lead to greater energy security and resilience to energy price shocks
- Private sector: Attracted to new technology investment opportunities
- Public health: Improved (fewer airborne pollutants)

Looking for strategic opportunities National development goals "Win-win" mitigation measures, short- medium terms Also addressing the long-term opportunities & priorities Climate finance readiness

Low Emission Capacity Building Programme - overview



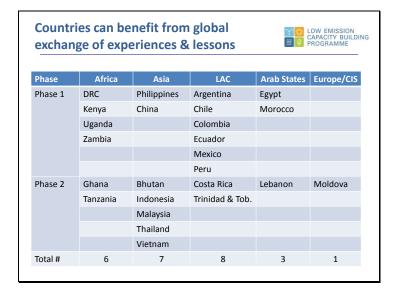
\$28 M (European Commission, the Government of Germany and the Government of Australia)

Six-year programme (2011-16), 25 countries

- 14 Phase 1 countries (from 2011)
- 11 Phase 2 countries (from 2012): including Lebanon

In late 2012:

- EC contributed with additional 5M Euro to establish "NAMA-Net", a network of centres of excellence to provide technical backstopping to LECB countries
- Germany contributed with additional 5M Euro for enhanced support to select LECB countries in given areas



Programme objective is to build capacities for mitigation action...



Objective: Build capacities to design and implement Low Emission Development Strategies and national mitigation actions in the public and/or industry sectors

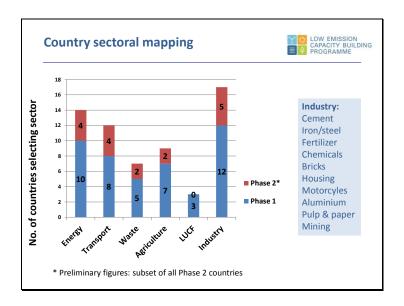
Five main work areas:

- GHG inventory management systems
- Nationally Appropriate Mitigation Actions (NAMAs)
- Low-Emission Development Strategies (LEDS)
- Measurement, Reporting and Verification (MRV)
- Mitigation actions in selected industries/private sector

Desired outcomes of the Programme



- Holistic policies/programmes to address climate change through mitigation action linked to development priorities
- Removal of technical and institutional barriers strengthened capacities to support NAMAs, LEDS
- Strategies to direct public and private investments (international and national)
- Improved scenarios and projections that allow more informed decision making on GHG mitigation
- South-south exchange of knowledge, tools, approaches
- Readiness for climate finance to access a range of funding sources



Global Support Team offers support via:



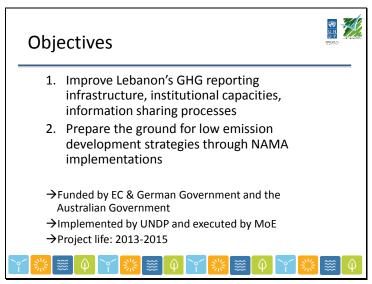
Targeted technical assistance

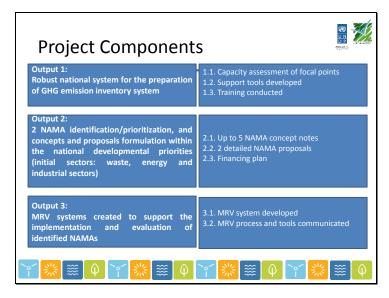
- Targeted backstopping (in-country and on-line)
- Guidance on potential international/regional experts & centres
- Technical reviews of materials
- Guidance documents (templates and technical guidance)
- Knowledge exchange workshops and thematic trainings

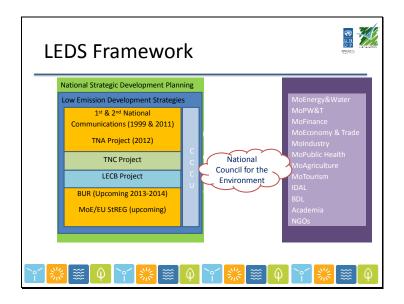
Knowledge sharing, outreach & partnerships

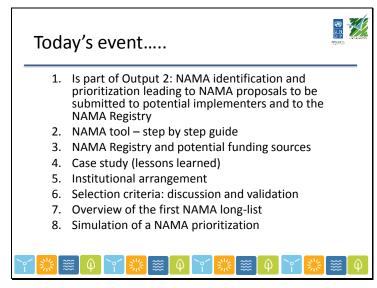
- Partnerships with Centers of Excellence/Regional Networks
- South-south/north-south knowledge exchange
- Capture and sharing of best practices and lessons learned
- UNDP Teamworks site & external website

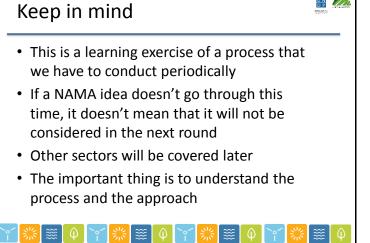


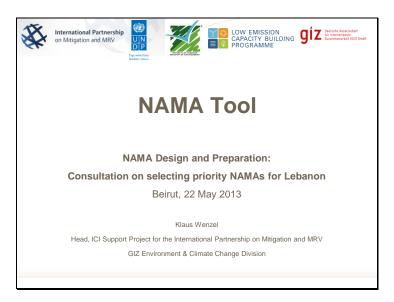


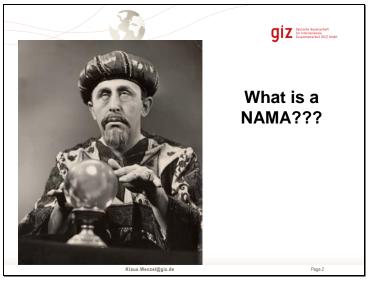


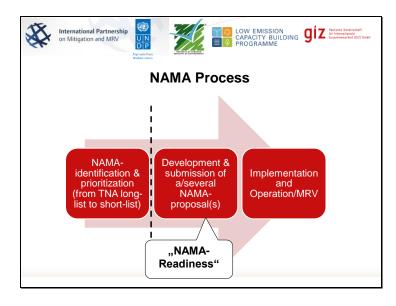














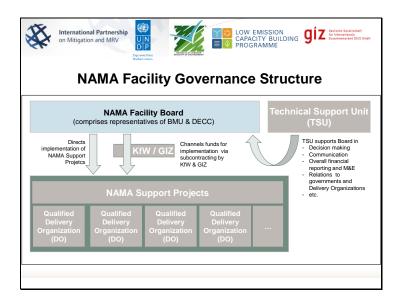
Objectives

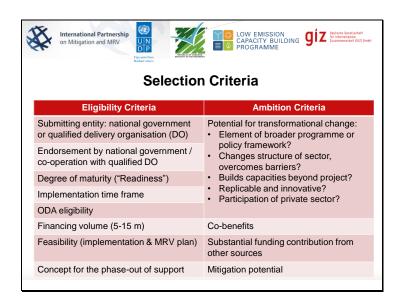
- Workshop
 - ✓ selecting a couple of priority NAMAs for further development of comprehensive NAMA proposals and submission to potential implementers and to the NAMA Registry (country-driven selection)
- The way ahead: development of NAMA proposals respecting quality requirements by public and private financing partners
 - ✓ How to develop a "bankable" NAMA proposal using a step by step guide (GIZ "NAMA Tool"): background, definitions, elements and requirements of NAMA proposals
 - ✓ Selection criteria of the NAMA Facility



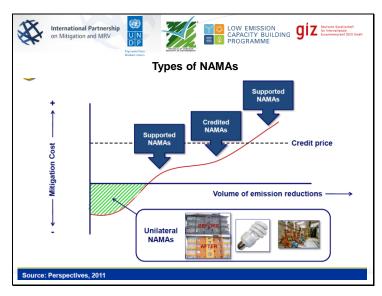
NAMA Facility

- Announced in Doha on 06.12.12 by German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and UK Department of Energy and Climate Change (DECC)
- DECC committed £25m (ca. €30 million), BMU another €40m (ca. £30m) = Total of ca. €70 million
- Designed to support developing countries that want to implement transformational country-led NAMAs in the short term
- Financial support & technical cooperation/capacity building
- · Financial instruments: grants & concessional loans
- · Call for proposals
- https://www.gov.uk/government/publications/informationabout-the-nationally-appropriate-mitigation-actions-namafacility









The Mitigation and MRV Partnership's NAMA tool on how to develop a NAMA can be accessed on the following link: http://mitigationpartnership.net/sites/default/files/nama_tool_8_6.pdf



Presentation outline



- UNFCCC NAMA Registry
- Potential funding sources

UNFCCC NAMA Registry: Mandate



- **COP 16:** Parties agreed to set up a registry to:
 - record NAMAs seeking international support
 - facilitate the matching of finance, technology and capacitybuilding support with these actions
 - recognize other NAMAs.
- COP 17: Decided to develop the registry as a dynamic, webbased platform
- COP18: Prototype registry to be deployed in April 2013
- Fully functional registry (based on user feedback) by Oct. 2013

UNFCCC NAMA Registry (1)



http://unfccc.int/cooperation_support/nama/items/6945.php

Prototype Registry hosts 4 NAMA templates:

- NAMA seeking support for preparation
- · NAMA seeking support for implementation
- Other NAMAs for recognition
- Information on support for NAMAs
- Key design element is **flexibility**, at request of Parties
- A few mandatory fields of template are:
 - Country
 - NAMA title
 - NAMA description
 - · Contact details

UNFCCC NAMA Registry (2)



For NAMA seeking support for <u>development</u>, can also include information on:

- Sector
- Technology
- Type of action (goal, strategy, programme/policy, project, other)
- National implementing entity
- · Expected timeframe
- Cost (and currency)
- Relevant national policies, plans, programs, and/or other NAMAs

UNFCCC NAMA Registry (3)



For NAMA seeking support for <u>implementation</u>, can also include information on:

- Estimated full cost and incremental cost of implementation
- Estimated GHG reductions (and methodology used to calculate)
- Other indicators of implementation
- Other relevant information (incl. co-benefits)

Option exists for NAMA developer to edit information and update as need

NAMA Prototype Registry content



- · NAMAs seeking support for preparation
 - 6 submissions between 19 Sept. 2012 and 27 Nov. 2012
 - Uruguay (3), Mali (2), Ethiopia (1)
- NAMAs seeking support for implementation:
 - 15 submissions between 20 Nov. 2012 and 17 April 2013
 - Serbia (7), Chile (3), Uruguay (1), Dominican Republic (1), Indonesia (1), Cook Islands (1), Dominica (1)
- · Other NAMAs for recognition
 - 4 submissions between 22 Oct. 2012 and 17 April 2013
 - Uruguay (2), Chile (1), Serbia (1)

http://unfccc.int/cooperation_support/nama/items/6945.php

NAMA Prototype Registry content



NAMAs require central approval:

- NAMA approvers: full access to country registry (e.g. Focal point)
- NAMA developers: create NAMAs, edit/delete their NAMAs, search queries (e.g. project formulators)

Support does not require central approval

- **Support editors**: create support entries, edit/delete their entries, search queries
- Actors: government agencies, banks, foundations, private sector

NAMA Registry: Manual



Part I: Design and functioning of the registry (mechanics)":

- -access and user roles;
- -The database and its sections;
- Workflows

Part II: how to fill in the templates

- -NAMAs
- -Support

NAMA Registry: Manual



- > Participation is voluntary
- > Not a requirement to receive or provide support
- ➤ Not an obligation to provide support or a guarantee that support will be provided
- Not a system for formally reporting on proposed actions or their results
- No requirements to verify the information. Responsibility lies within NAMA approver/support editor

Presentation outline



- UNFCCC NAMA Registry: International Commitments
- · Potential funding sources

The Finance Challenge



Despite growing volume and variety of resources, developing countries face three key challenges to climate finance:

- Uneven resources: climate finance is not evenly spread, creating barriers to access, particularly for smaller countries
- Need to catalyze private finance: public finance alone is insufficient to meet demands of climate challenge, and so must catalyze private finance
- Limited alignment between climate and development: to drive an economy-wide transformation in production and consumption, climate finance must be mainstreamed into planning and development policy





Cancun (2010): Long-term goal of mobilizing US\$100 billion per year by 2020 to support developing countries to address climate change

"In energy sector alone, additional investment of close to \$10.5 trillion needed globally in the period 2010-2030 to have 50% chance of maintaining GHG concentrations to less than 450 ppm." (IEA, 2009)

Mitigation financing perspectives (2)



"At least USD 97 billion per annum of climate finance is currently being provided to support low-carbon, climate-resilient development."

"The amount of private finance is almost three times greater than public finance." Climate Policy Initiative (CPI), 2011

Approximately 40% of the global additional investment needed in 2020 will come from households, 40% from businesses and remainder from governments (IEA (2009)

NAMAs likely to have phased financial structure (not just one source of finance)



PILOT

SECTORAL UPSCALE

IDEA CONCEPT

FEASIBILITY

IMPLEMENTATION PROJECTS

DONOR

PUBLIC BUDGET

CORPORATE EQUITY

CREDITORS AND INVESTORS

Catalyse climate finance to attract private sector investments



Determine the appropriate "policy-mix" and financing options to create an enabling environment for catalysing climate finance:

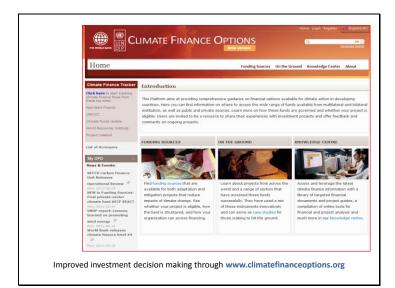
- Identify appropriate
 mitigation and adaptation
 technology options
- 2. Assess barriers to diffusion
- 3. Determine appropriate policy-mix
- 4. Select financing options

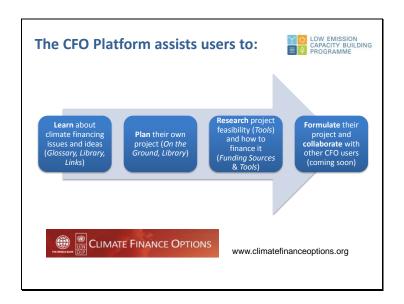


To date, GEF is largest provider of grant funds for CC mitigation



- GEF provides grant funding to create enabling environment and initiate a market transformation process
- Tends to focus on the removal of barriers, support for innovation, partial risk guarantees and demonstration efforts
- The GEF priorities for support are:
 - Enabling activities (national communications and technology needs assessments)
 - Removing barriers to Energy Efficiency
 - Removing barriers to Renewable Energy
 - Reducing the long-term costs of low-GHG emitting energy technologies
 - Sustainable Transport

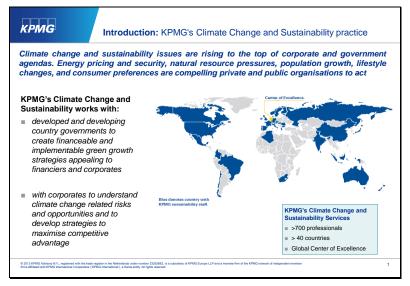


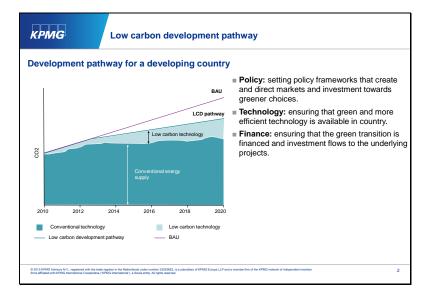


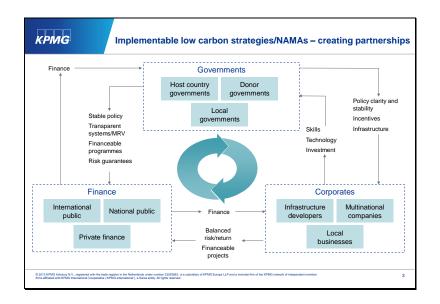


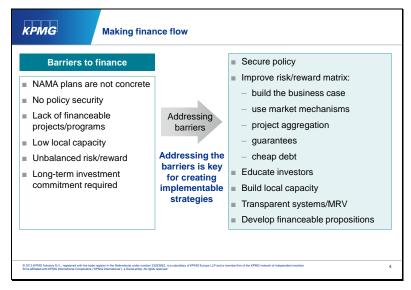


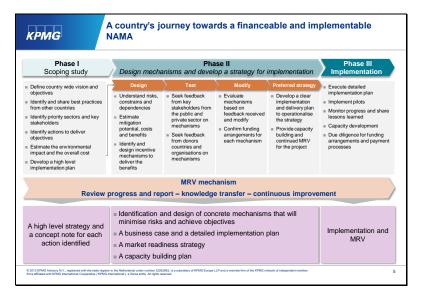


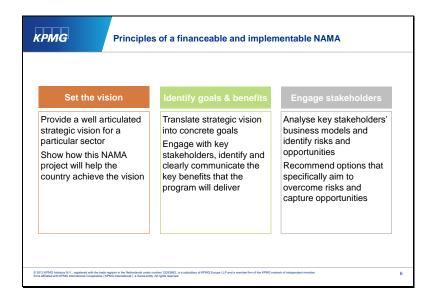


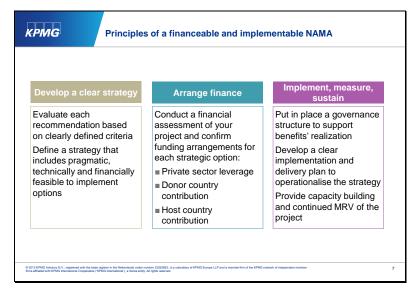




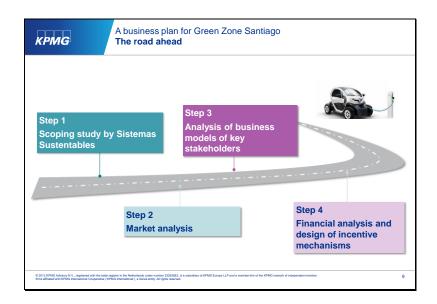


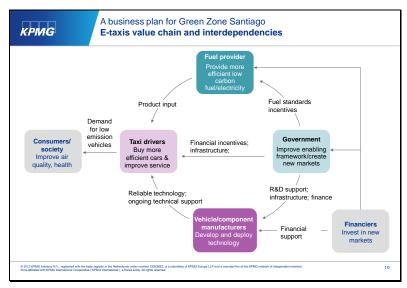


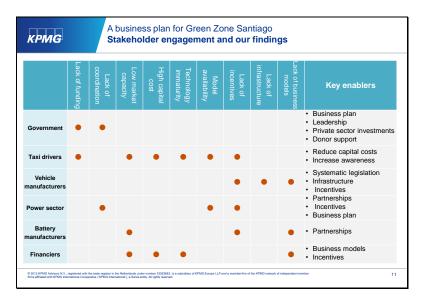


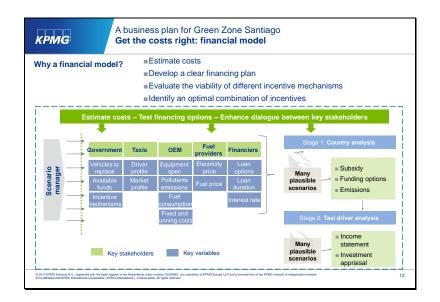




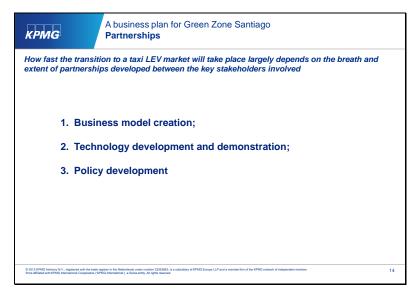








A business plan for Green Zone Santiago Make the finance flow: financial options 1. Grant Option 2. Support to existing intermediary/intermediaries that retail LEVs 3. Establishing a new single intermediary to retail LEVs 4. Subsiding an intermediary that provides both LEVs and infrastructure 5. Establishing an Investment Fund



KPMG

A business plan for Green Zone Santiago Lessons learned

Conclusions

- 1. There is misalignment between government's vision for a green economy, the industrial policy and the structure of the financial system. This is constraining funding flows, restricting supply of projects and limiting the development of a green economy
- 2. Finance is not often the main problem lack of capacity across funders, project developers and government to develop projects is. Worth noting though that there is a shortage of funding for early-stage, high risk initiatives and for moving projects from research & development stage to scale-up and commercialization.
- Skills on finance, policy, strategy and technology are essential to develop financeable and implementable projects
- 4. Dialogue with key stakeholders early in the process is key to understand risks and opportunities and develop solutions that minimise risks and capture the opportunities

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KPMG

A business plan for Green Zone Santiago Lessons learned

Conclusions

- 5. Public-private partnerships offer promising solutions. A strong need for a key institution in the country to show strong leadership
- 6. Flexibility as to the forms of domestic support is necessary
- Need for an independent party that doesn't have a political agenda and understands the private sector language
- The costs and administrative burden of meeting the Monitoring, Evaluation and Reporting requirements of multilateral / bilateral funds reduces the appetite of local banks and project developers to access funding. This is limiting the uptake of multilateral / bilateral climate funds and limited implementation of projects by the private sector

16

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Recommendation

4 key actions to successfully implement the NAMA

To address the barriers identified s and develop a business plan for the successful implementation of NAMA four key actions will be necessary



Develop new business models



Make financing flow into the market

Build partnerships





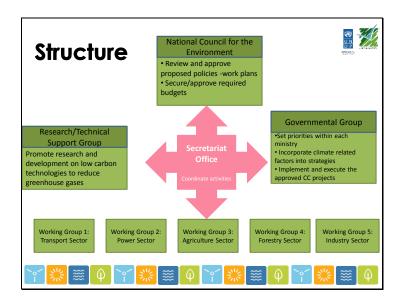


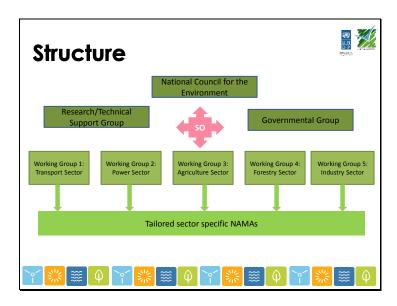
Institutional Arrangements

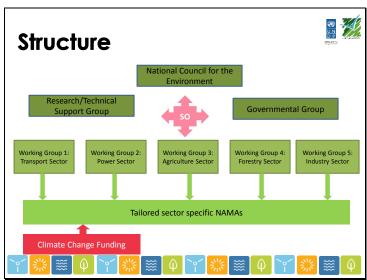


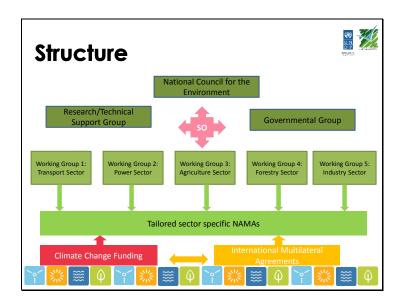
- Establishment of the National Council for the Environment (Decree 8157/24-5-2012)
- Council of Ministers appointed the Ministry of Environment as the National Coordinator of NAMAs (Decision 44/17-1-2013)
 - Requesting the MoE to start the process of NAMA preparation in coordination with the other ministries

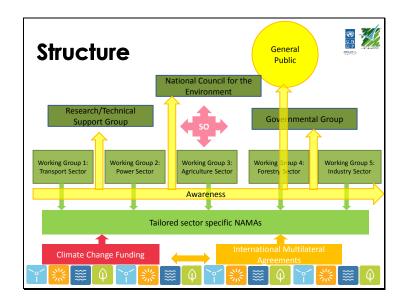


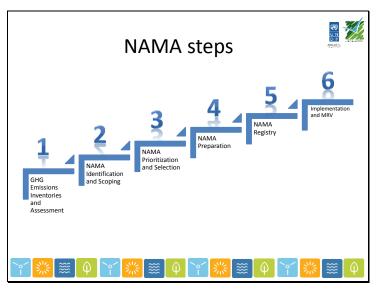


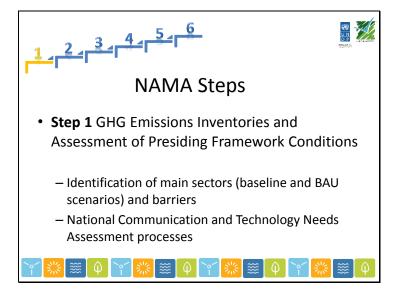


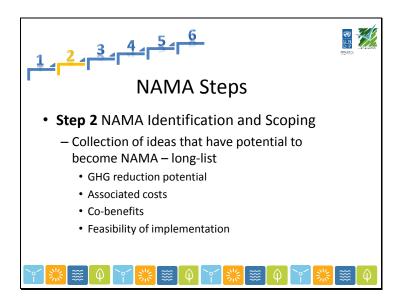


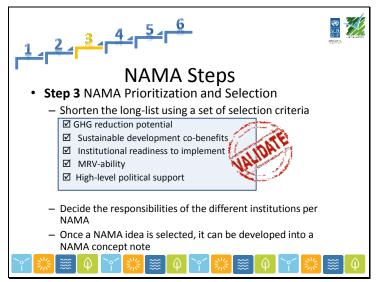


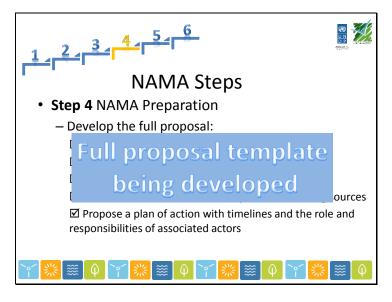


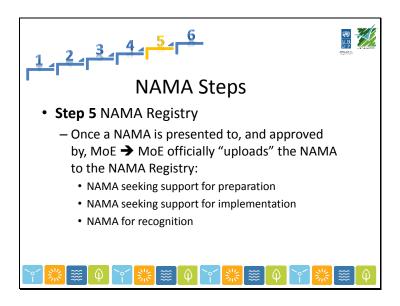


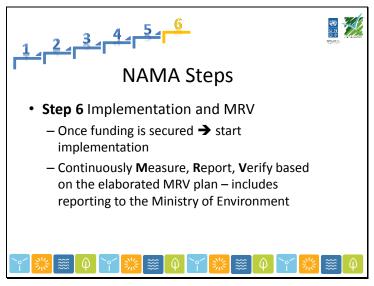


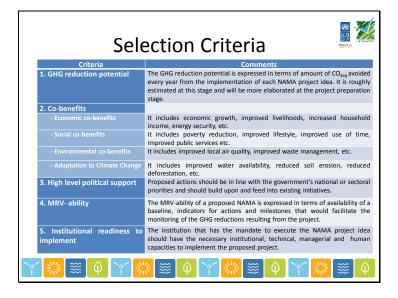




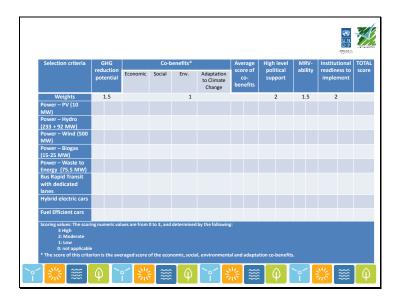


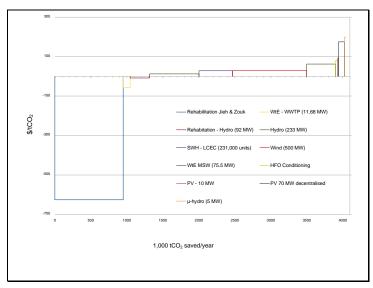






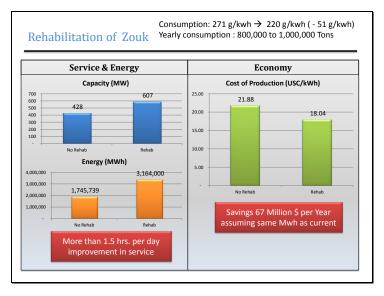
| Criteria | Weights (% out of 100) |
|--|-------------------------------|
| | Combine with 1-2-3 weights |
| 1. GHG reduction potential (and cost) | |
| 2. Co-benefits | |
| - Economic co-benefits | |
| - Social co-benefits | |
| - Environmental co-benefits | |
| - Adaptation to Climate Change | |
| 3. High level political support | |
| 4. MRV- ability | |
| 5. Institutional readiness to implement (including legal) | |
| 6. market readiness ?? | |
| 7. Financial attractiveness (how easy to implement from financial point of | |

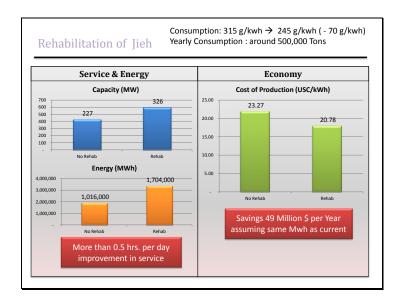












Hydro Development Possibilities

1- Rehabilitation & Upgrade of Existing Hydro Plants:

Will increase the available Hydro generation capacity at least from 190 to 282 MW (+ 92 MW)

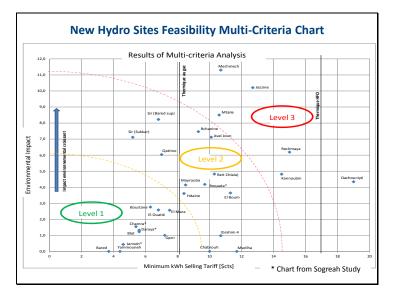
2- Installation of New Hydro Plants – Master Plan:

32 new sites were identified as follows:

- Around 263 MW (1,271 GWh/y) with a cost of 667 M.\$ in Run of River scheme
- Around 368 MW (1,363 GWh/y) with a cost of 772 M.\$ in Peak scheme

25 of these are economically viable with Minimum Selling Tariff < 12 c/kWh

- Around 233 MW (1,126 GWh/y) with a cost of 560 M.\$ in $\underline{\text{Run of River scheme}}$
- Around 315 MW (1,217 GWh/y) with a cost of 665 M.\$ in Peak scheme



Non River Streams Micro Hydro Assessment

| Micro Hydro Stream | Public Institution | No. of Studied Sites todate | MW |
|--|---|-----------------------------------|---------------|
| Irrigation Channels & Conveyors | All Water Establishments, Ministry of Agriculture | 4 | 1.270 |
| Waste Water Treatment Plants Intakes & Outfalls | All Water Establishments, CDR | 1 | 0.123 |
| Electric Power Plants Outfall Channels | EDL Electric Power Plants | 5 | 3.421 |
| Municipal Water Distribution Networks | All Water Establishments, Municipalities | 4 | 0.144 |
| | 1 | * Data from UN | IDP-CEDRO Stu |

Anaerobic Digestion Technology: Principle & Requirements

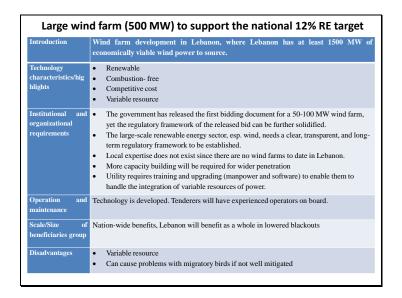
- Anaerobic digestion is a process in which organic matter from wet organic wastes (ie. Waste water sludge, liquid & solid manure, food processing wastes, slaughterhouse residues, agriculture residues etc.) is converted into Biogas by bacteria in the absence of oxygen.
- The Biogas including 60% Methane (CH4) is then collected and may be used to generate Electricity & Heat (1 Nm3 Biogas ⇔ 0.6 liters LFO).
- Biogas reduces emissions by preventing methane release in the atmosphere. Methane is 21 times stronger than carbon dioxide as a greenhouse gas.
- In addition, the AD process creates potentially valuable by-products, such as High Ammonia content fertilizer from hygenized sludge, and/or liquid with available nutrients.
- Finally the AD process has the advantage of Odor Control & Sludge volume reduction to (1/3).

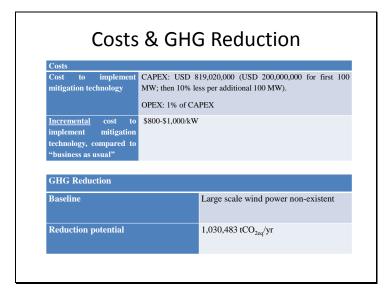
| | Scenario 1: Sludge AD Only (6 Plants) | Scenario 2 : Sludge AD with Added Sludge (7 + 14 plants) | Scenario 3: Sludge AD with Added Sludge & Co-Digestion (7 + 14 plants) |
|--|---|---|--|
| Already Installed Generation Capacity (Tripoli) | 3.09 MW | 3.09 MW | 3.09 MW |
| Additional Generation Capacity | 4.23 MW | 5.79 MW | 8.59 MW |
| Total Generation Capacity | 7.32 MW | + 21.4 % 8.88 MW | + 59.5 % 11.68 MW |
| Electric Energy | 54,276 MWh/y | + 27.5 % 69,223 MWh/y | + 70.8 % 92,683 MWh/y |
| Heat Energy | 57,059 MWh/y | 72,774 MWh/y | 97,437 MWh/y |
| CO2 Reduction | - 20,500 T CO2e/y | + 25.4 % - 25,700 T CO2e/y | +70.8% -35,000 T CO2e/y |
| Self Generation | 75% | 83% to 112% | 83% to 205% |
| Levelized Cost of Electricity* | N.A. | 7.7 to 19.7 c/Kwh | 7.1 to 10.7 c/Kwh |

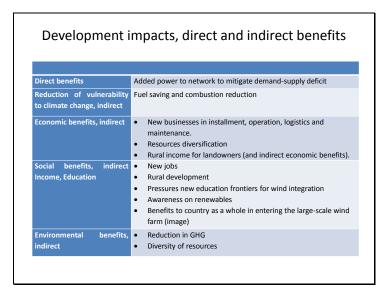
| Variable | Actual Baseline Level of Emission | Guaranteed Value of Improvement | Actual Results following a 6 months Trial Period on one Unit at Zouk |
|-------------------------------------|--------------------------------------|------------------------------------|---|
| Particulate Matter – PM | 536 mg/Nm3 | 50 % Reduction | 87 % Reduction |
| Carbon Oxide – CO | 841 ppm | 80 % Reduction | 91 % Reduction |
| Condensing Sulfur Trioxide – SO3 | 1.35 ppm | 80 % Reduction | 87 % Reduction |
| Nitrogen Oxides - Nox | 510 ppm | 15 % Reduction | 24 % Reduction |
| Fly Ash Acidity - pH | 4.2 | 3.5 Minimum | 2.5 to 3.0 |
| Boiler Cleanliness | Clogging due to hard Deposits | Clean | Clean & Old Deposits Removed |
| Boiler Efficiency – η | 91.47 % | 1% Increase | 2% Increase |

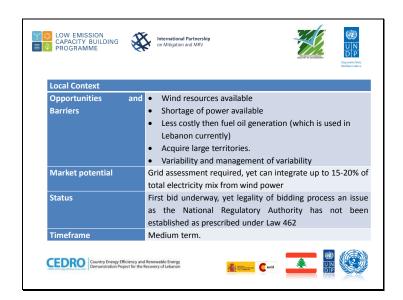




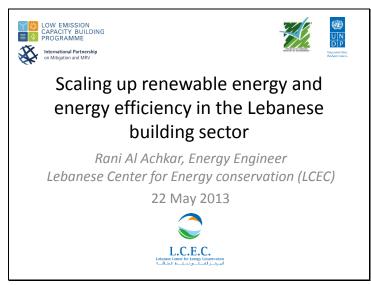




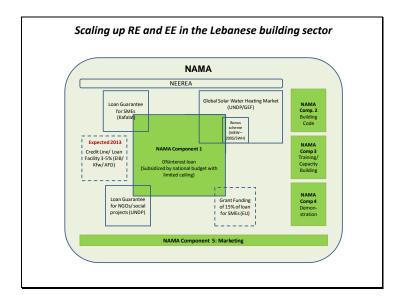


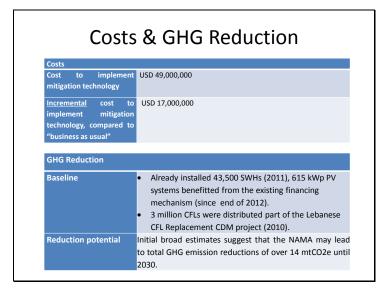






| Scaling up RE and EE in the Lebanese building sector | | | |
|--|---|--|--|
| Introduction | The strategy aims to significantly increase the uptake of building integrated RE and EE technologies and measures across the entire building sector (residential, commercial as well as public building) in Lebanon. The principle objective of the strategy is to reduce rising GHG emissions associated with energy use in the built environment. | | |
| Technology characteristics/high lights | Building integrated renewable energy focusing in particular on SWH and PV systems, as well as the full range of technologies for building energy efficiency. | | |
| Institutional and organizational requirements | Upscaling of the financing mechanism Enactment of new building code and additional legislations Training/capacity building in both the private and public sectors required Demonstration and showcasing the best practice examples Ensure widespread dissemination | | |
| Scale/Size of beneficiaries group | The entire building sector in Lebanon covering all segments including residential, commercial as well as public buildings. | | |
| Disadvantages | The implementation of minimal energy efficiency standards would increase the cost of construction. Modest rate of return of some energy efficiency investments. | | |

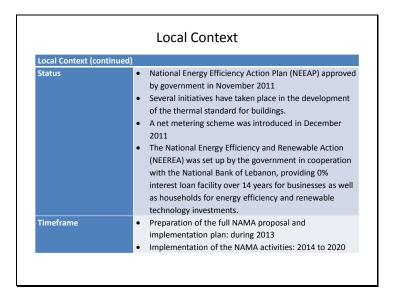




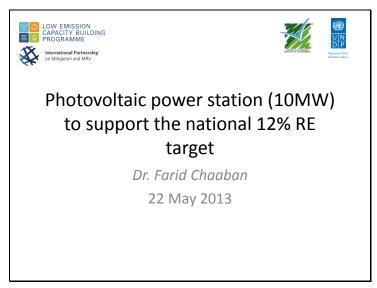
| Development impacts, direct | and indirect benefits |
|--|--|
| Direct benefits | Creation of new jobs in the energy technology and energy services sector; Improved energy system reliability and energy security leading to reduced energy costs and greater productivity |
| Economic benefits, indirect | More reliable electricity supply and increased access to energy services for households. Reduced dependence or private self generators will increase disposable incomes of households given the high cost of private generation. |
| Social benefits, indirect Income, Education | Higher living standards and health benefits through improved building stock. |
| Environmental benefits, indirect | Improvement of local environmental quality, e.g. reduction of noise and pollution from diesel generators. |

| Local Context | | |
|-------------------|---|--|
| Local Context | | |
| Opportunities and | Barriers | |
| Financial | Higher cost of RE and EE technologies and high cost of retrofitting for older buildings | |
| | Access to capital (esp. as smaller projects and energy efficiency projects are not attractive for commercial banks) | |
| | Risk perception of banks of RE and EE technologies | |
| | Customs increase on RE technologies by Lebanese authorities | |
| Information | Lack of awareness and information (general public) | |
| | Lack of technical expertise/ know how (institutions, banks, engineers) | |
| | Lack of building data and weather data | |
| Regulatory | The fact that Law 462 is not applied, which grants monopoly rights to | |
| | EDL to supply electricity and prevents widespread access to feed into | |
| | the national grid | |
| | Lack of mandatory building code for energy performance | |
| Technical | Urban structure (shading of buildings reduces solar efficiency) | |

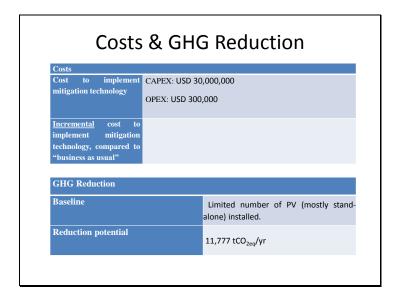
| Local Context | | |
|---|---|--|
| Local Context (continued) | | |
| Opportunities and Barriers (continued) | The barriers to a widespread adoption of sustainable energy technologies are only partly addressed by current programmes. There is a need to bring under one umbrella the activities envisaged to have them properly implemented and coordinated on ground. | |
| Market Potential | The building sector accounts for 25-45% of the total national energy consumption Emissions are mainly associated with electricity use for lighting, water heating, cooling and space heating. With expected population growth, increasing urbanization and economic development over 300,000 | |
| | new residential units will be built until 2030. Coupled with rising demand for household appliances as standards of living increase, there is a huge potential for both energy efficiency as well as building integrated renewable energy systems in this sector. | |

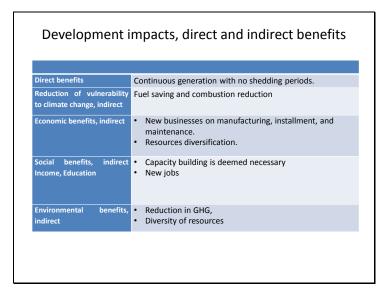


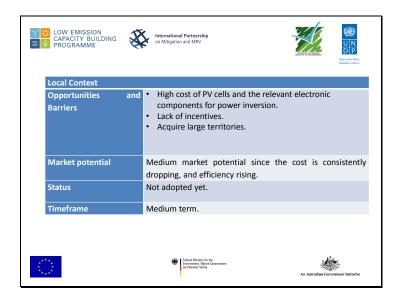


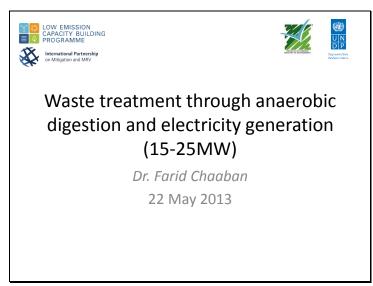


| Title of NAMA | | |
|---|--|--|
| Introduction | Technology for direct transfer of solar power to electricity via photovoltaic cells. These cells generate dc power which can be stored, or used, after inversion into AC. | |
| Technology characteristics/hig hlights | Renewable Combustion- free High cost Still developing | |
| Institutional and organizational requirements | It will require new policies and laws (e.g., feed in tariffs) with some incentives. Local expertise does exist, however very few households have installed PV cells More capacity building will be required for wider penetration. | |
| Operation and maintenance | Technology is developed, however improvements in terms of efficiency (R&D) will lead to higher acceptance. In terms of O&M, minimal effort is required. | |
| Scale/Size of beneficiaries group | Small- scale applications due to high cost and availability of other renewable resources. $ \\$ | |
| Disadvantages | High cost.Low conversion efficiency.High maintenance cost. | |

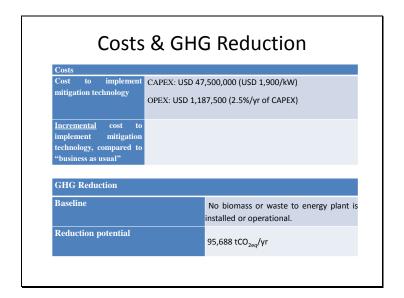


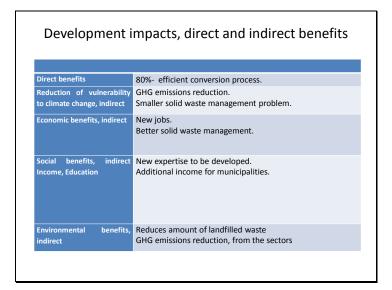






| Title of NAMA | | |
|---|---|--|
| Introduction | Solid waste is used as an alternative fuel to generate electricity. It is part of both national and sectoral policies of the energy and solid waste sectors | |
| Technology characteristics/hig hlights | Anaerobic digestion of organic waste, which produces biogas (mainly methane) that is used for power generation. | |
| Institutional and organizational requirements | Relevant regulations for waste collection needed. Capacity building is also required. Private sector should be encouraged to adopt the technology. | |
| Operation and maintenance | High technical skills required. Capacity building and training needed. Municipalities should be brought in. | |
| Scale/Size of beneficiaries group | The whole power network will benefit. | |
| Disadvantages | Intricate operational requirement Odors | |
| | | |
| | | |



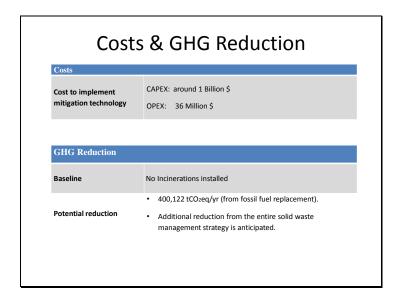


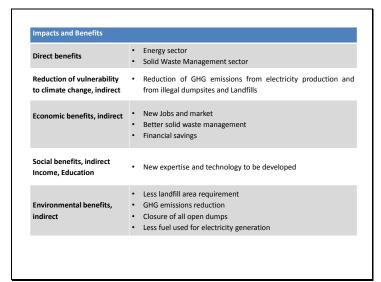






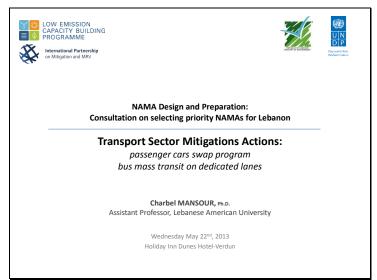
| Title of NAMA | | | |
|---|--|--|--|
| Introduction | Electricity Generation using solid waste as an alternative fuel | | |
| Technology characteristics | Very Advanced Technology, especially in last 10 – 15 years Low % in volume after incineration Generation of electricity from solid waste | | |
| Institutional and organizational requirements | Issuing of an integrated solid waste management law with its applicable decrees. Adopting a financing and cost recovery system. Specific Actions to be taken by the government considering incentives, awarness, indirect taxes, adoption of "polluter pays "principle Some relevant regulations for waste collection needs to be amended. Capacity building is required. Private sector participation. | | |
| Operation and maintenance | O & M done by the private sector Initial cost paid by the government Cost of waste collection is the responsibility of the Municipalities | | |
| Scale/Size of beneficiaries group | Large benefit - EDL Economy financial sector lower pressure on LF Environment Indirect benefit - Health Tourism | | |
| Disadvantages | Lack of awareness Technology not very well known by the public High cost (but not higher then what we are paying now) | | |

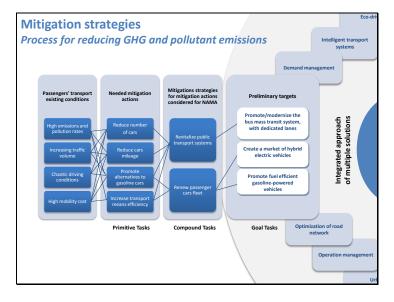




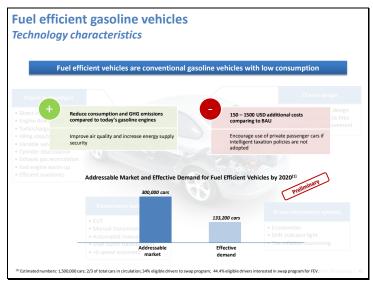


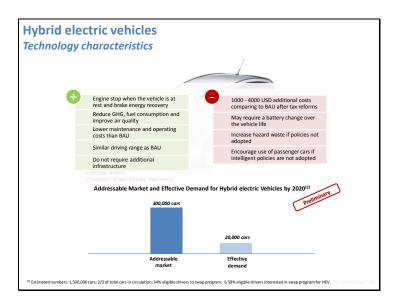


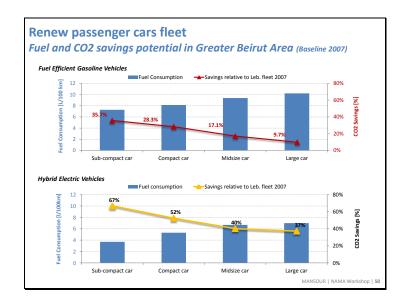


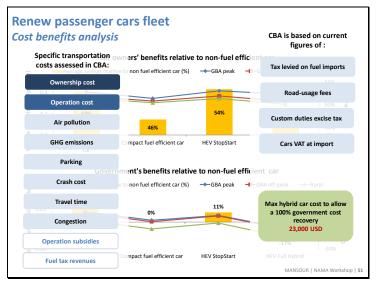


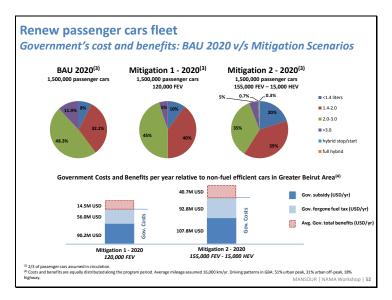


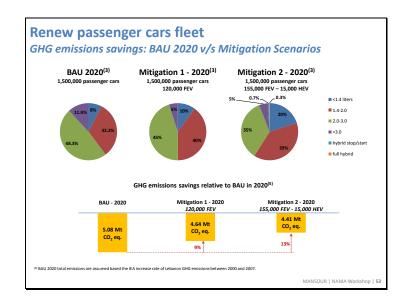


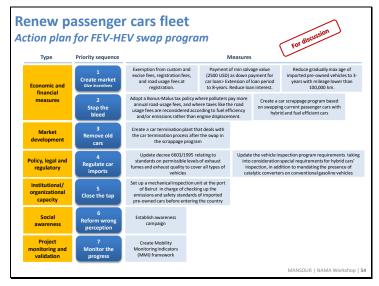


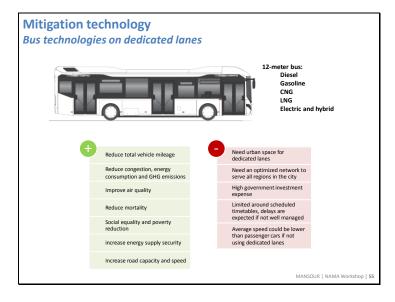


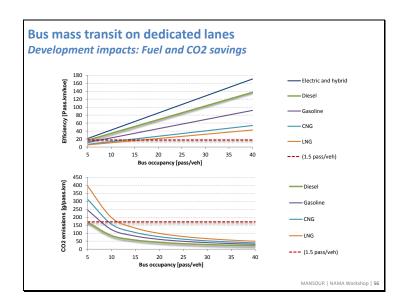


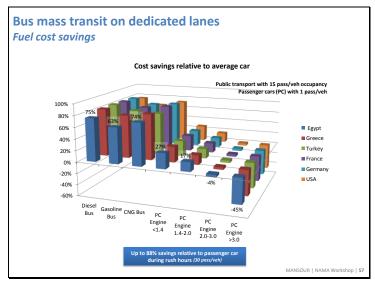


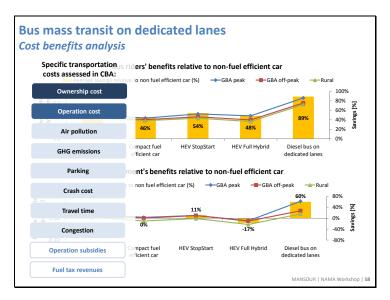


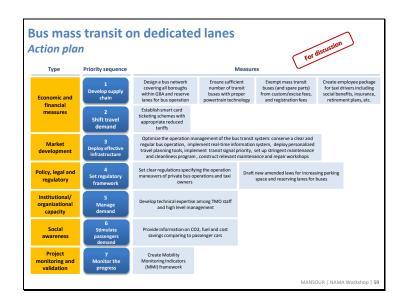




















UNFCCC - United Nations Framework Convention on Climate Change:

An international environmental treaty produced at the 1992 Earth Summit in Rio de Janeiro with the objective to stabilize greenhouse gas concentrations in the atmosphere. Lebanon has been a Party to the UNFCCC since 1994.

KP - Kyoto Protocol:

An international agreement linked to the UNFCCC adopted in Kyoto, Japan, in 1997 that sets binding targets for industrialized countries to reduce their emissions. Lebanon became a Party to the KP in 2006.

GHG emissions Greenhouse gas emissions:

Atmospheric gases that contribute to the greenhouse effect by absorbing infrared radiation produced by solar warming of the Earth's surface. They include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Nationally Appropriate Mitigation Actions (NAMAs)

Definition

Nationally Appropriate Mitigation Actions are voluntary emission reduction proposals submitted by developing countries to the United Nations Framework Convention on Climate Change (UNFCCC). These government-prioritized actions aim at reducing GHG emissions from various sectors, and are expected to be the main vehicle for mitigation action in developing countries such as Lebanon under a future climate agreement.

As the name implies, NAMAs are nationally appropriate actions. They can be implemented at national, regional, or local levels, contribute sustainable *development*, and are by technology, supported and enabled financing and capacity buildina. in a measurable. reportable and verifiable manner. Support can be requested for either the preparation of the NAMA concept or for its implementation. Lebanon can also choose to submit domestically-funded (or unilateral)

Box 1: Key aspects of NAMA

- ✓ Voluntary in nature
- ☑ In line with national or local development priorities
- ✓ Supported (technology, capacity building and financing) from domestic and/or international sources
- ☑ Reduces GHG emissions

NAMAs for recognition for which international support is not requested.

Types of NAMAs

Three broad types of NAMAs have been identified:

Unilateral NAMAs: domestically funded and implemented without any support from an external funding source;

Supported NAMAs: implemented with financial, technological and/or capacity building support from an external funding source;

Credited NAMAs: generate revenues from selling carbon credits resulting from emissions reductions (NB: this market mechanism is not yet agreed on in the UNFCCC).

Furthermore, NAMAs can be:

Strategies: such as a national renewable strategy – wind, solar, etc. Policies: such as an energy efficiency standard, a feed-in-tariff, etc. Programmes: such as an energy efficient lighting programme, etc. Projects: such as a bus rapid transit lane, etc.

In addition to requesting support for full-scale NAMA implementation, Lebanon can receive support for:

- 1) Capacity building and readiness for NAMA development;
- 2) Pilot projects that are part of a broader NAMA strategy and would help the development of such a strategy.

Benefits of NAMAs

The primary function of NAMAs is the direct reduction of GHG emissions. In addition, NAMAs should have important social, economic and environmental benefits. Since NAMAs in the various sectors are considered discrete set of measures that feed into the transition to a low-emission development, they provide an opportunity to achieve long term transformational change supporting sustainable economic growth in Lebanon. NAMAs also provide a great opportunity to engage with the private sector.

Measurement, Reporting and Verification requirements - MRV

The requirements for MRV of NAMAs entails having a strong, credible and transparent system for tracking GHG emissions that is consistent, comparable, complete and accurate. Therefore, one of the main challenges when designing and implementing a NAMA is its "MRV-ability". The MRV in turn provides assurances that the NAMAs are contributing to emissions reduction, and that this reduction is monitored, the progress is reported and the results verified. NAMAs receiving international support are subject to both domestic and international MRV, while domestically-funded NAMAs are only subject to domestic MRV. All MRVs will be " in accordance with guidelines to be developed under the UNFCCC."

The Clean Development Mechanism and NAMAs

CDM and NAMAs use divergent approaches, but both reduce GHG emissions. The primary difference is their rationale: whereas the CDM provides additional ways for **developed countries** to meet their emission reduction commitments under the KP through the purchase of project-based emissions reductions from developing countries, NAMAs are primarily conceived as a means for **developing countries** to reduce domestic emissions in the context of sustainable development. Programmatic CDM – "Programmes of Activities (POAs)" – is closer to the NAMA concept in terms of scale, since PoAs can cover policies and measures rather than individual projects. However, PoAs still generate credits. The differences between CDM and NAMAs are summarized in *Table 1* below.

Table 1: Differences between CDM and NAMAs - Evaluation

| | CDM | NAMA |
|----------------------|---|--|
| Definition | One of the flexible mechanisms of the KP It allows a developed country with an emission-reduction commitment to implement an emission-reduction project in a developing country | Voluntary Commitment under the UNFCCC Internationally supported NAMAs will be subject to both domestic and international MRV, while unilateral NAMAs will be subject to domestic MRV |
| Actions | Projects and programmes of activities | Policies, strategies, programmes and projects |
| Initiator | Typically Private sector or public sector | Typically Public Sector |
| Return on investment | Certificates (Certified Emission Reductions, CERs) CERs are issued by the CDM Executive Board based on project verification reports. CERs can be traded on carbon markets | Financial and technical support Developed countries provide enhanced financial, technological and capacity building support for the preparation and implementation of NAMAs of developing countries |
| Preconditions | Reductions in emissions must be additional to any that would occur in the absence of the certified project activity CDM to assist developing countries in achieving sustainable development | A NAMA, framed in the context of sustainable development, aims at achieving a deviation in emissions relative to 'business as usual' emissions in 2020 |
| Requirement | Project supports sustainable development (proven by Government letter) | Action is nationally appropriate (proven by government registration under the UNFCCC) |
| Financing | Upfront financing, generally through the private sector. Certificates are issued ex-post based on regular verification reports. CERs are sold on a carbon market | Domestic resources and/or international support (e.g. through bilateral/multilateral agreements, development banks) for the preparation and implementation of NAMAs |
| Rulebook | Marrakech Accords and subsequent body of CDM Executive Board decisions | Relevant guidance, including MRV guidelines being developed under the Convention |

Source: adapted from GIZ and BMU. 2011.CDM and NAMAs – Overview and Differences. Transport and Mobility.

Steps for NAMA preparation in Lebanon

In Lebanon, the Ministry of Environment, as the National Coordinator for NAMAs appointed by the Council of Ministers, will consider a six-step NAMA process:

Step 1 GHG Emissions Inventories and Assessment of Presiding Framework Conditions

The first step serves at identifying the main GHG emission sources and sectors and preparing baseline and business-as-usual scenarios for the different sectors. In parallel, the assessment of the national framework conditions for mitigation, including the governance framework and general barriers for climate policy implementation, are considered. The Ministry of Environment has already undertaken this work, within the broader national context, through the **National Communication** and **Technology Needs Assessment** processes. These will serve as a starting platform since both processes were conducted with extensive stakeholder involvement (Reports available at http://undp.org.lb/communication/publications/index.cfm)

Step 2 NAMA Identification and Scoping

The Ministry of Environment, with inputs from **stakeholders**, will identify opportunities for mitigation actions that can be packaged as potential NAMAs for Lebanon. The evaluation of emission reduction potential, associated costs at both national and sectoral levels, co-benefits, and feasibility of implementation are important at this stage because once **Lebanese NAMAs** are submitted and financing is secured, they **are** subject to the agreed MRV requirements.

The long-list of identified NAMAs will be categorized into two sets: 1) NAMAs that request support from international funding sources for

preparation or implementation, and, 2) NAMAs that will be implemented through national efforts (e.g. funding source is the national budget), i.e. domestic NAMAs.

Step 3 NAMA Prioritization and Selection

Based on a national consensus, the long-list of NAMAs (step 2) will be shortened by using two "requirement criteria": 1) financing source and type, and 2) transformational aspect of the NAMA idea.

Prioritization of the most feasible options to be further elaborated according to specific selection criteria developed for Lebanon (Box 2) will then be done. Prioritized NAMAs can be developed into **concept notes** aimed at policy-makers that provide a brief explanation of how each NAMA would work.

This step is led by the Ministry of Environment as the National Coordinator and requires strong stakeholder involvement, with a clear identification of the roles and responsibilities of the different institutions at this stage, especially in terms of who would be leading the preparation of the NAMAs in

Box 3: Requirements for NAMA proposals

- ☑ Set the reference/baseline scenarios
- ✓ Set sector-wide targets
- ☑ Provide details on the MRV component
- ☑ Provide details on the costs and possible financing sources
- ☑ Propose a plan of action with timelines and the role and responsibilities of associated actors

different sectors in order to avoid duplication of work, and secure buy-in of the relevant stakeholders.

Step 4 NAMA Preparation

With guidance and assistance provided by the Ministry of Environment, concerned Ministries/institutions will develop fully detailed NAMA proposals and submit them to the Ministry of Environment to be a basis for negotiation of support and implementation conditions between the government and sources of support. Key challenges anticipated in the development of a full NAMA proposal are the elaboration of robust financing and MRV plans.

- ☑ GHG reduction potential
- ✓ Sustainable development co-benefits
- ☑ Institutional readiness to implement
- ☑ MRV-ability
- ☑ High-level political support
- ☑ Market readiness

Step 5 NAMA Registry

The UNFCCC has set up a NAMA registry to record submitted NAMAs and to facilitate the matching of finance, technology and capacity-building support for those NAMAs seeking international support. NAMA proposals should be presented and approved by the Ministry of Environment, to be officially submitted to the NAMA registry on behalf of the Lebanese government.

There are three types of relevant submission templates that can be used, depending on the request put forward:

- 1) NAMA seeking support for **preparation**;
- 2) NAMA seeking support for **implementation**;
- 3) NAMA for **recognition**;

The templates are available at: http://unfccc.int/cooperation_support/nama/items/6945.php.

Step 6 Implementation and MRV

The last step is the implementation of the NAMA within the relevant sectors once funding is secured and terms of the implementation agreed upon with the supporting countries. Throughout the lifetime of the action, there is a need for **measuring, reporting and verifying** the different aspects of NAMAs according the MRV plan elaborated and agreed with the investor.

In general, the more specific and quantified the NAMA is, the easier it will be to define a metric for MRV. Both the development and the implementation of the MRV system are a shared responsibility of the NAMA implementer and the Ministry of Environment, as different types of NAMAs require "custom-made" MRV systems. It is important that government departments willing to develop and implement NAMAs do so in close coordination with the Ministry of Environment. This will also facilitate progress during the implementation phase of the NAMA, since NAMA implementers will have to report to the Ministry of Environment on the progress of their respective NAMAs.

Biennial Update Reports and International Consultations and Analysis and NAMAs

The Convention requests developing countries, including Lebanon, to prepare and submit *Biennial Update Reports (BURs)* on a two-yearly basis. Among other things, the BUR provides information on mitigation actions – including NAMAs under implementation and planned – including a description of associated methodologies and assumptions, analysis of impacts, financial support received, and an update on implementation progress. The MRV report submitted by the NAMA implementer to the Ministry of Environment (in Step 6) serves as a basis for the BUR. The BUR is then subject to an *International Consultations and Analysis (ICA)* process conducted by an independent technical body of experts in consultation with Lebanon, which will result in a detailed analysis report available to the public.

For more information: http://www.moe.gov.lb/climatechange/contact.html

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