

Tool: Identification of costs and revenues (December 2016)

by Andrea Henkel and Philipp Talke from Handbook Navigating Transport NAMAs (GIZ 2015)

Tool Description

This tool aims to estimate costs of a transport mitigation action. For the preparation of costs estimates, it is advisable to consult practitioners with experience in planning and implementing similar measures. In that context, cost estimates from national sources are preferable over international figures, as costs may vary widely between countries.



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General information

Objective / function	This tool helps to estimate costs of a transport NAMA. The tool only looks at costs from the point of view of one actor, e.g. government.	
Tool developer & weblink	GIZ Link: www.transport-namas.org/resources/toolbox	
Area of application	<input type="checkbox"/> Designing mitigation measures <input type="checkbox"/> MRV of Emissions <input type="checkbox"/> MRV of sustainable development benefits <input checked="" type="checkbox"/> Financing <input type="checkbox"/> Registration <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Strategy or plan <input checked="" type="checkbox"/> Policy <input checked="" type="checkbox"/> Program <input checked="" type="checkbox"/> Project
Setting	Approach is already designed	
Level of complexity	high	
Required data / information	References from policies, projects in the country studies (regional or international)	
Cost	free of charge	
Time needed	to be used in different stages of preparation, further details can be added throughout the process	
Equipment needed	laptop and beamer	

Description

To be able to estimate the costs of a NAMA in detail, the planned measures need to be broken down into individual activities. Each activity is then assigned a cost estimate. The specification of costs depends on available data and early planning phases and move to more

detailed calculations during appraisal and before reaching a final agreement with funders and investors.

National estimates may not yet be available – especially for new approaches – and referring to similar programmes and examples from other countries may be the best option for the development of cost estimates.

Application step-by-step

Most cost estimations can be broken down in five main activities. It is recommended to split all costs per year and to write down all necessary activities and items needed for every activity.

The estimation usually starts with the identification, preparation and appraisal of the potential NAMA. In the next step, implementation costs as well as construction costs should be considered. The structured cost estimation follows with all necessary operation and maintenance costs and with monitoring and MRV. The cost estimation finishes with all other costs of activities that should be considered within the project. Find below a proposed table to structure the cost estimation for a potential NAMA.

Proposed table to structure the cost estimation

		Activities / Items	Year 1	Year 2	Year ...
Costs					
Identification, Preparation, Appraisal	Personnel				
	Consulting services				
	Procurement (goods, equipment, software)				
	Running costs (rent, office expenses, travel costs)				
Implementation / Construction	Personnel				
	Consulting services				
	Procurement (goods, equipment, software) / Construction				
	Financing Costs				
	Running costs (rent, office expenses, travel costs)				
Operation and Maintenance	Personnel				
	Consulting services				

	Procurement (goods, equipment, software)				
	Financing Costs				
	Running costs (rent, office expenses, travel costs)				
Monitoring / MRV	Personnel				
	Consulting services				
	Procurement (goods, equipment, software)				
	Running costs (rent, office expenses, travel costs)				
Other costs	Overheads				
	...				