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# Key success features of NAMAs

Side Event:

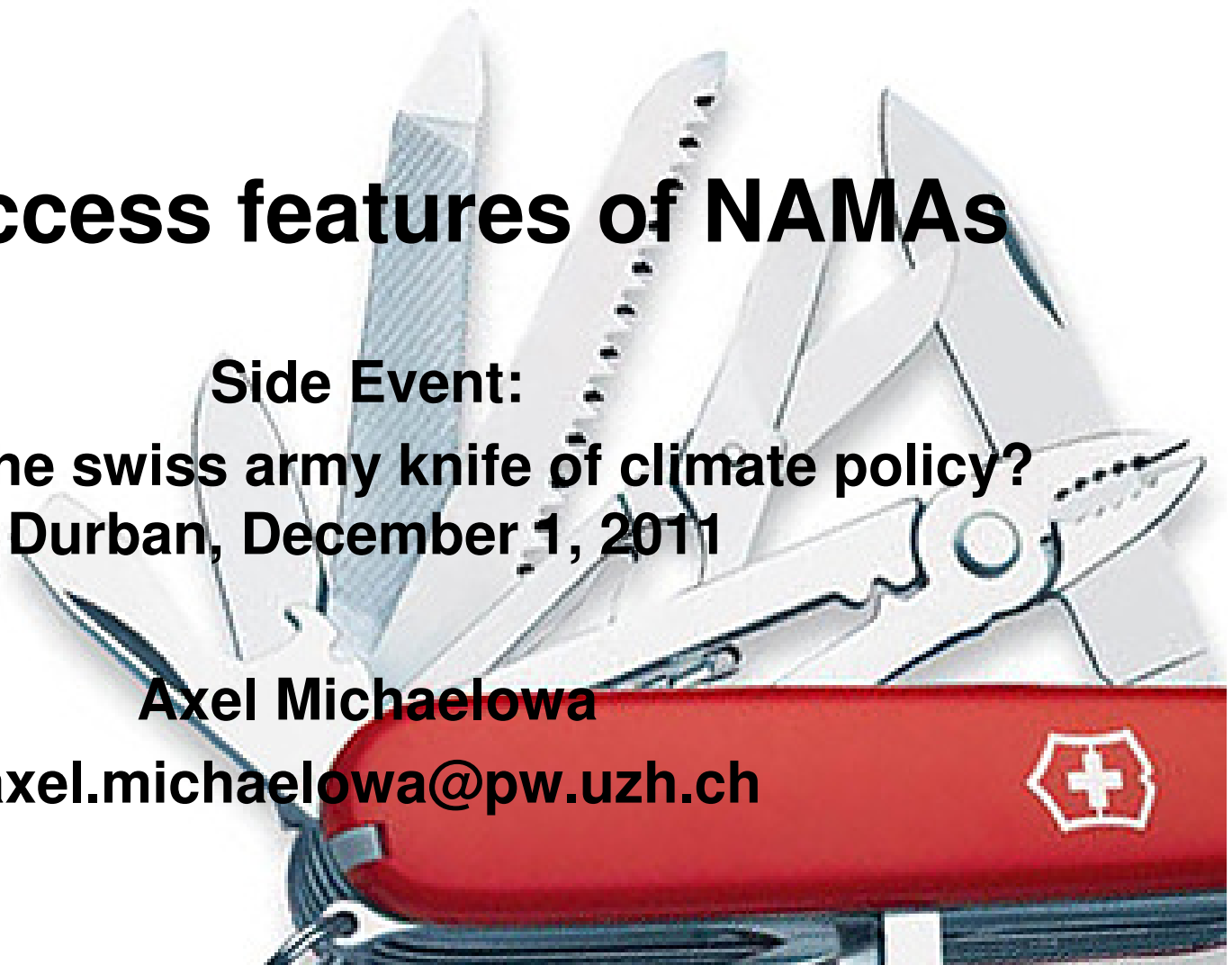
**NAMAs – the swiss army knife of climate policy?**  
**Durban, December 1, 2011**



**COP17/CMP7**  
**UNITED NATIONS**  
CLIMATE CHANGE CONFERENCE 2011  
DURBAN, SOUTH AFRICA

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# Topics

- UNFCCC climate policy and the drive for Nationally Appropriate Mitigation Actions (NAMAs)
- The disillusioning reality of many industrialised country low carbon strategies
  - Lacking belief in abatement cost estimates
  - Effective opposition of emitter lobbies
  - Focus on politically salient high-cost measures
  - Consumption growth overrides carbon intensity reductions
- How did successful strategies overcome the barriers?
  - Key **characteristics**
- Recommendations for developing countries

# International climate policy under the UNFCCC and NAMAs



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- **Significant share of Non-Annex I countries** has submitted lists of NAMAs, including
  - All members of BASIC
  - Many Least Developed Countries (!)
- It has thus become **fashionable** to set up NAMAs
- Could we get into a situation where we have lots of NAMAs, but no greenhouse gas emissions reductions?
- What do we have to do to make NAMAs a success?

# Disillusioning reality of industrialised country strategies



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- **Marginal abatement cost curves consistently show large negative cost mitigation options**
- **Not only environmental laggards, but countries with clear environmental credentials fail in reducing greenhouse gas emissions**
- **In the late 1980s, the West German Parliament agreed on a 25% CO<sub>2</sub> reduction until 2005**
  - **West German CO<sub>2</sub> emissions remained flat**
- **Canada agreed to 6% reduction in Kyoto**
  - **Canadian emissions are up by 30% (2009 value)**
- **What are the barriers?**

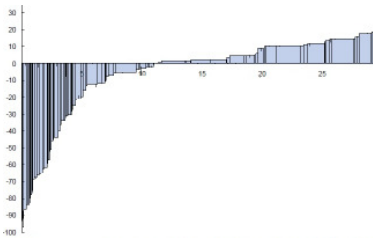
# Key barriers



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- Lacking belief in abatement cost estimates



- Policymakers see MAC curves as artifacts without real-life significance

Effective opposition of emitter lobbies



- Heavy industry lobbies are usually politically powerful, as they are strongly concentrated and contributed to past development of the country (oil sands)



- As most low-cost measures are concentrated in heavy industries, a key chunk of abatement potential is lost



# Key barriers II



## - Focus on politically salient high cost measures



- Low cost measures are often “boring” and do not relate to visible high technology (EE)
- Policymakers like to deal with **glitzy technology** that can be unveiled in spectacular fashion (see PV in Germany)
- **New lobbies** emerge (PV!)



## - Consumption growth overrides carbon intensity reductions

- Even if measures are successful, increasing consumption will be a powerful counterforce



# Successful strategies did...



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- ... use **political windows of opportunity**
  - Energy crisis allowed drastic energy efficiency measures (Brazil)



- ... **align powerful economic interests**
  - Ethanol programme provided a new outlet for sugar industry (Brazil)



- Wind power feed-in-tariff brought together farmers' and metal industry lobbies (Germany)



- ... build on backing of **key individuals**
  - Bus lane programme pushed by long-serving mayor of Curitiba (Brazil)



# Successful strategies did...



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- ... **buy out losers** while providing **performance incentives**



Offer rebate of carbon tax for voluntary reductions (UK) or energy efficiency measures (Denmark)

- Initial free allocation of allowances (EU)

... **ratchet up** over time



- Multi-phase trading scheme (EU)
- Domestic carbon tax (Sweden)

... **provide ancillary benefits**



- Congestion charge in London (UK)
- Integrated transport policy (Singapore)



# Recommendations



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- Understand **where your low cost options** are
  - ... that do not suffer from lobby pressure
  - ... that can be mobilised without facing organisational / incentive-related challenges
- **Prevent capture by high-cost measure lobbies**
  - Propose clear timetable for reduction of incentives, linked to transparent criteria
  - Apply array of measures to generate competition
- Provide **carrots to emitters** for a certain period
  - Subsidies, harnessing climate finance from North
  - Ratchet up!
- Look for **ancillary benefits**



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# **Thank you!**

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