NAMAs: Concept, Framework, and Implementation

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Side Event "Developing Country Implementation Strategies and Nationally Appropriate Mitigation Actions (NAMAs)"

Room Halfdan Rasmussen, 20:00-21:30

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Outline of Presentation

- Concept of NAMAs
- NAMAs Implementation
- NAMAs and CDM
- Supported NAMAs and Credit-Generating NAMAs: A Nester Approach

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Concept of NAMAs

- Unilateral and supported NAMAs = contribution by developing countries to global climate goal
- Unilateral and supported NAMAs = “low hanging fruit” – stays in DCs
- Credit-generating NAMAs = more expensive options – creates offsets for developed countries

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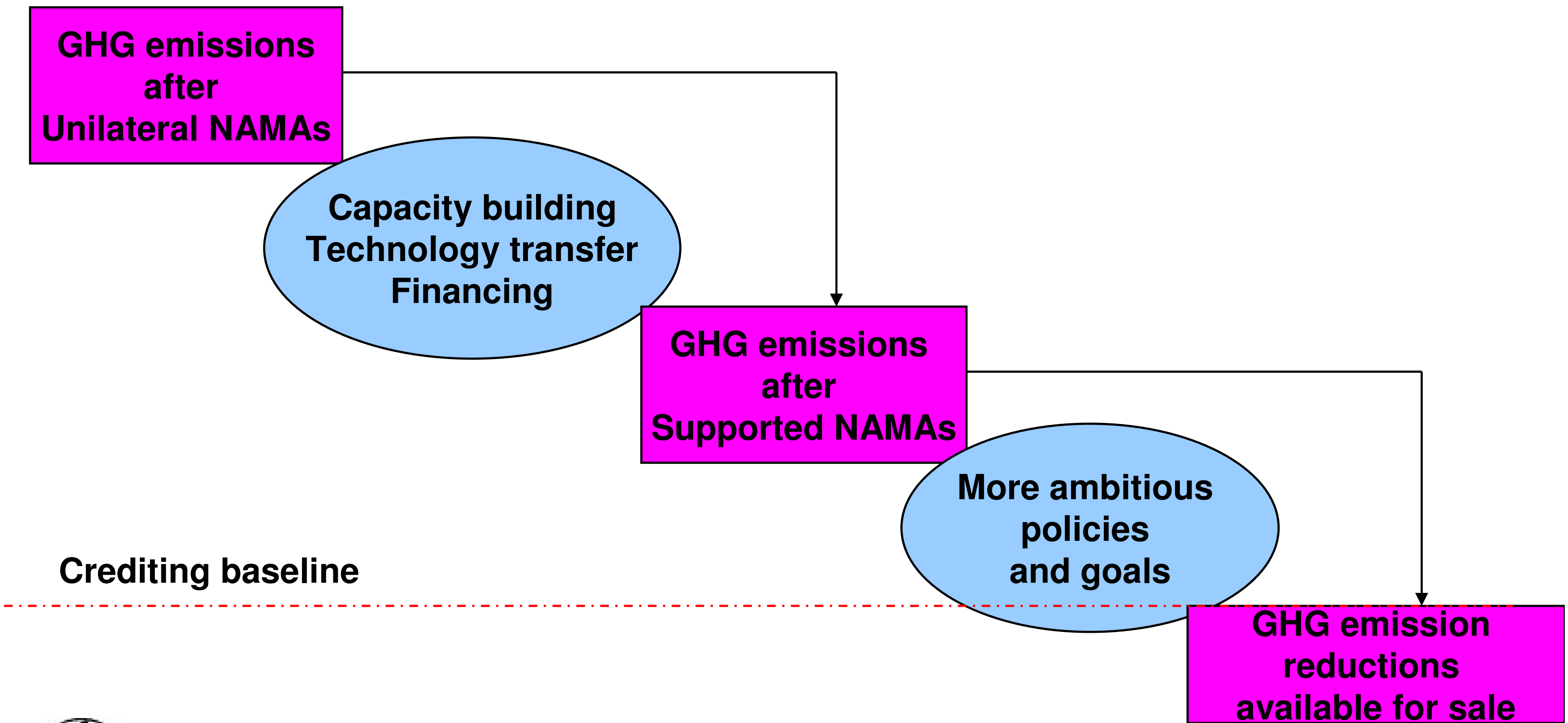
NAMA Implementation



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Multiple NAMAs in the Same Sector

Gradually built program

MRV of each component

A package approach

Cumulative GHG effect

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NAMAs and CDM

Differences w/ traditional CDM:

- Unilateral and supported NAMAs produce reductions that reflect a DC contribution to protection of the atmosphere, do not produce offsets
- NAMAs affect larger sets of facilities within a sector while traditional CDM is project-specific – poor performers are ignored in traditional CDM (w/ exception of “programs of activities” CDM)

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NAMAs & CDM: Paying Twice?

- Where project-specific CDM coexists w/ supported NAMAs, risk that A1 pays twice: once up-front for NAMA program and again for specific projects
- Project CDM more attractive to companies and investors than supported NAMAs
- Supported NAMAs more attractive to DC governments

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NAMAs & CDM: Paying Twice?

- One solution is to "wall off" existing CDM projects from calculation of DC performance in meeting no-lose target
- But allowing new CDM projects could still undermine NAMA performance
- Allowing new CDM projects in NAMA policy area also undercuts goal of keeping "low hanging fruit" in DC
- Ultimate solution may be buyer-country policies barring project-specific CDM in key sectors and existence of significant up-front financing for NAMAs

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Credit-Generating NAMAs and CDM

- Credit-generating NAMAs can generate more CERs and investment if incentives are well designed
- Key is to insure full return to private sector players who beat the crediting baseline – tradable intensity std does this
- Companies beating sector-wide std receive CERs, companies failing to meet std must purchase intl credits and turn these into DC govt. at end of year

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Nested Approach to NAMA Decisions

- Decisions on support for NAMAs and crediting baseline require coordination
- Parties need to know level of up-front support they will receive for supported NAMAs at same time as they discuss level of ambition for NAMA or sector-wide crediting
- Governing body can receive advice from expert panels on baselines and from operating entities on finance but needs to make both decisions

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Thank you!

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