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## KEY FINDINGS

NAMAs might spur agreement on other open issues in climate negotiations, such as support in terms of finance, technology and capacity building; transparency; and developing country mitigation actions especially those by emerging economies.

NAMAs is evolving as a mechanism to allow for discussion on emission reductions with the available support in developing countries. However, what constitutes a NAMA is still not clear.

The criterion of national appropriateness is fundamental.

BAP calls for NAMAs in the context of sustainable development. However, criteria are not spelled out in any detail.

An international mechanism and possibly a global registry will be required to operationalise NAMAs

## NAMAs: Key to resolve open issues in negotiations

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### Summary

A breakthrough in the design of Nationally Appropriate Mitigation Actions by developing countries (NAMAs) might resolve negotiations on critical issues that are still open such as support in terms of finance, technology and capacity building and developing country mitigation actions, especially in case of emerging economies. To achieve this, some fundamental criteria need to be maintained and operational details spelled out. The criteria of national appropriateness and sustainable development are a prerequisite. Before a registry of NAMAs could be operationalised, defining what entails a NAMA is a challenge.

### Origin of NAMAs

NAMAs is evolving as a mechanism to allow for discussion on emission reductions with the available support in developing countries. The Bali Action Plan (BAP) paragraph 1(b)(ii) calls for 'nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner'. Since then negotiations have focused on detailing out 'what entails NAMAs'. The proposals are still at a very conceptual level and often vary in terms of its interpretation. The important issues being on the nature of NAMAs (domestic/supported/voluntary/obligation), scope of NAMAs (nationally set/internationally set/ top down/bottom up), operational issues (registry/schedule/MRVed/only supported MRViable) etc.



# What entails a NAMA?

To be able to engage in meaningful discussion it is important to agree upon an operational definition of the term NAMA, which should be based on the envisaged purpose and scope of NAMAs.

## Functions of NAMAs:

1. Enhanced developing country participation in mitigating climate change: The BAP calls for enhanced national or international action on mitigation of climate change including mitigation actions by developing country that are supported and enabled by technology, finance and capacity building. Hence, developing country NAMAs shall contribute to the efforts leading to mitigation of climate change. However, the extent of actions is dependent on the level of enabling support provided by developed country Parties. Nevertheless, in global interest Parties may take independent domestic mitigation actions voluntarily.
2. Enhanced support from developed country to developing countries: According the BAP the extent actions is depended on the level of enabling support in terms of finance, technology and capacity building provided by developed country Parties. Thereby enhancing developed country Party commitments in Article 4 of the Convention.
3. Increased accountability and transparency: The BAP also calls for MRV (measurable, reportable, verifiable) of enabling support in the form of funding, technology, and capacity building. However, it could also facilitate MRV of mitigation actions of developing country Parties that are supported by developed countries. Above all, it can be a tool to acknowledge and recognize both actions and supports.

## Overriding principles in the BAP:

1. Consideration of National appropriateness: Mitigation action undertaken by the developing country Parties shall be nationally appropriate. Therefore, it should be left to each Party to decide which actions to undertake as per its national priority, according to its level of development and capability and without undermining its sovereignty.
2. Consideration of Sustainable development: NAMAs shall be in the context of sustainable development. Consequently, they should not have adverse impacts on sustainable development and rather promote sustainable development co-benefits as a requisite. The phrase “nationally appropriate” indicates that the NAMAs are designed to address concerns of the developing countries other than just climate. It also indicates that there will be restrictions on how to formulate unified sustainable development criteria or indicators, if these objectives are to be included in a review. The Parties will need to find some common ground on sustainable development.

# From function to design

An international mechanism and possibly a global registry will be required to operationalise NAMAs. What constitutes a NAMA is still not clear. However, considering the above discussion,

**NAMAs are voluntary mitigation action by developing country considered nationally appropriate by the respective country having sustainable development co-benefits and supported by enabling finance, technology, and capacity building. Given their national circumstance developing countries may undertake mitigation action independent of the support without any international obligation.**

Therefore, there can be two types of NAMAs that is **domestic NAMAs** (independent mitigation action taken by a country with its own resources) and **international NAMAs** (mitigation actions undertaken by developing countries that are supported by developed countries). For entering into a registry, NAMAs shall estimate emission reductions and work out timelines and implementation plan. Also, it should state the nature and level of support required. The reduction estimates should act as emission reduction targets or emission limits for the proposed actions. In order to incentivise compliance, a third category, **allowance NAMAs**, is proposed for actions that are able to achieve over and above the target. The reductions above the target should then be eligible for participating in auctioning of allowances. The earning from the allowance will go to the national fund which will further be diverted to future domestic NAMAs. The design of registry shall have differential treatment of the three NAMAs. The details will be available in the next working paper.

## Key contentious issues for designing a global registry for NAMAs

### From party position perspective

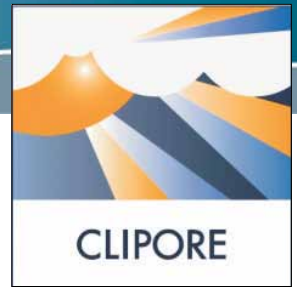
- Definition of NAMAs: what does it entail?
- Nature of NAMAs: Voluntary, supported, unilateral?
- Treatment of different kinds in the context of: MRV, finance and technology

### From governance perspective

- Role of existing institutions and mechanism
- Modalities of new institutions and governance structures

### From market perspective

- Interaction of NAMAs with other domestic and international policies: SD-PAMs, CDM, p-CDM, REDD+
- Role of private sector and industry



## Policy implications and recommendations

1. Nationally Appropriate context: The NAMAS could be **different for different groups of countries** especially the least developed countries and small island developing states, depending on their respective capacities and specific national circumstances. Also, NAMAs should be **dynamic in nature** and should evolve over time as their respective national circumstances and respective capabilities change.
2. The sustainable development context: At present criteria for sustainable development is not included in the core proposals. However, some proposals from the Copenhagen negotiations include criteria for sustainable development. It is probably difficult to reach agreement on exact definitions of “context of sustainable development”. However, **minimum requirements** could be agreed upon. Sustainable development goals could, for example, have as it baseline policies and measures contributing to the **Millennium Development Goals**. They have been approved by all parties to the UNFCCC and may serve as acceptable limitations on sustainable development projects.
3. A global registry as a mechanism to operationalize NAMAs is suggested wherein NAMAs are voluntary mitigation action by developing country considered nationally appropriate by the respective country having sustainable development co-benefits and supported by enabling finance, technology, and capacity building. Given their national circumstance developing countries may undertake mitigation action independent of the support without any international obligation. **Three types of NAMAs are suggested domestic NAMAs, international NAMAs, allowance NAMAs.**



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