



INVESTOR COUNTRY REQUIREMENTS FOR NAMA CREDITING

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Sven Braden, Deputy Director, LIFE Climate Foundation

LIFE Climate Foundation Liechtenstein

Austrasse 46 | P.O. Box 254 | FL-9490 Vaduz | Tel.: +423 230 13 26 |
www.climatefoundation.li



AGENDA

- 1. Facts and Figures about Liechtenstein**
- 2. Current Challenges Investor Countries face**
- 3. NAMA Crediting as answer to current challenges**
- 4. Legal Framework of NAMA Crediting – Potential Requirements**
- 5. Conclusions**



1. Facts and Figures about Liechtenstein

- **Total area: 160 km² - situated between Switzerland and Austria, Europe**
- **Population: 36'000**
- **Gross Domestic Product: 5'5 Billion US Dollar**

- **Greenhouse Gas Emissions (2009):** **248'000 t CO₂ eq**
- **Greenhouse Gas Emissions per capita:** **6, 4 t CO₂ eq**
- **Kyoto Target (-8% = 211'000 t CO₂ eq):** **5, 5 t CO₂ eq**

- **Post Kyoto Pledges:** **- 20 – 30 % from 1990 levels**



2. Current Challenges Investor Countries face (1)

- In 2008 parliament approved financial means of 8,6 million US Dollar in order to finance additional emissions reductions abroad (Purchase of Certified Emission Rights)
- **2008 Situation:** Legal obligation to achieve Emission Reductions in line with the 2005 ratified Kyoto Protocol's commitments, 5 year period, strong economical environment ("booming 2007")



2. Current Challenges Investor Countries face (2)

- In 2012 / 13 estimations show that Liechtenstein might purchase Emission Reductions abroad for 9,5 – 16 Mio. US Dollar to achieve a reduction of 20 – 30 %
- **Current Situation:** No legal obligation to achieve Emission Reductions in sight, 8 year period, weak outlook due to economic and financial crisis, further increase of climate finance (fast start finance and long term goals – budgetary competition potential)

NEED FOR A STRONGER PARTICIPATION OF THE PRIVATE SECTOR



3. NAMA Crediting as answer current challenges, if mechanism

- **realises potential for broader involvement of Investor Country's private sector**
- **facilitates technology Transfer from Investor Country to Host Country**
- **improves legal certainty and predictability (compared to CDM)**
- **promotes bi- or multilateral Public Private Partnership Models (facilitation of project implementation)**

Legal framework provides theses opportunities...



4. Legal Framework of NAMA crediting (1)

Introduction of NAMA crediting under Paragraph 80 CP.16:

“Decides to consider the establishment (...) market-based mechanisms to enhance the cost-effectiveness of, and to promote, mitigation actions, taking into account the following:

(...)

(f) Assisting developed country Parties to meet part of their mitigation targets, while ensuring that the use of such mechanism or mechanisms is supplemental to domestic mitigation efforts; (...)”



4. Legal Framework of NAMA crediting (2)

Status of Negotiations

Requirements which are currently formulated especially by potential Investor Countries with regard to new market mechanisms (and as such would also apply to NAMA crediting):

- *Good Governance and robust market functioning regulation*
- *Net decrease in global greenhouse gas emissions*
- *Environmental integrity and a robust accounting system regulations*
- *Avoidance of double counting*
- ***Sustainable Development Contribution***



5. Conclusions

- **NAMA Crediting may offer Investor Countries an opportunity to get a broader engagement of the private sector**
- **Employment of „homemade-technology“ in a Host Country must be in line with the principle of sustainable development (potential key requirement by Investor Countries – focus on capacity building)**



THANK YOU

www.climatefoundation.li
info@climatefoundation.li