



Center for
Clean Air Policy

***NAMAs, Registries and Finance:
An Integrated Approach to Developing
Country Action***

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Outline of Presentation

- NAMAs background
- Types of NAMAs
- NAMA submissions and requirements
- Some examples of NAMAs
- NAMA registries
- Governance of NAMA finance/support
- Key Questions

NAMAs Background

- Bali Action Plan calls for verifiable nationally appropriate mitigation actions (NAMAs) by developing country (DC) Parties in the context of sustainable development
- NAMAs are supported and enabled by verifiable technology, financing, and capacity-building support from Annex 1 countries
- Developing countries would submit climate plans (e.g., low-carbon growth strategies) that list their intended NAMAs and associated requests for support
- NAMAs could be grouped to achieve broader objectives, such as sectoral program goals and reduced emissions from deforestation and degradation (REDD)

NAMAs Background (cont.)

- International debate centers on three types of NAMAs:
 - » Unilateral
 - » Conditional
 - » Credit-generating
- Goal of this approach is to produce developing country emissions reductions that are not offsets –DCs' contribution to climate protection
- 6-10 large developing countries are responsible for 80-90% of DC emissions in key sectors

Types of NAMAs

- NAMAs can be individual actions or groups of actions and may include:
 - » SD-PAMs
 - » Low-emission development strategies?
 - » Programmatic CDM
 - » Technology deployment, energy efficiency or energy-pricing programs or measures
 - » Cap-and-trade programs
 - » Carbon taxes
 - » Sector-wide actions (sectoral targets, mitigation actions, standards, or crediting baselines)
 - » REDD+, agricultural or related activities

NAMA Submissions

- NAMA submissions may or may not require:
 - » National low-carbon development strategies:
 - emissions pathways
 - address specific sectors
 - full or incremental costs, timeframe and requested assistance
 - emissions reductions and scenarios
 - sustainable development impacts
 - » Evolution/updating over time
 - » MRV provisions

Technology-based NAMAs in China

Three general types of technology-based NAMAs:

- Sector-wide technology upgrades
- Accelerated retirement of older and inefficient facilities
- Advanced step-change technologies, e.g. CCS

Sectoral NAMAs in Mexico

- In Poznan, Mexico announced that it will pursue a trans-sector cap-and-trade program to include the electricity, oil, cement, and iron and steel sectors
 - » Initiation slated for 2011 (iron and steel may be later)
- Hard caps for the 2011-2020 period could be derived from emissions intensity goals and expected production levels and be adjusted in subsequent periods
- Mexico has also put some complementary policy reforms in place:
 - » Energy Reform – provides more budgetary flexibility for PEMEX and permits some degree of private investment
 - » New law that allows CFE to consider externalities in its pricing decisions and gives CRE more control over contracting terms with independent power producers

NAMAS: A place for REDD?

- Three-phases of REDD (per Norway): readiness, initial implementation, and full implementation with national level credit-generating
 - » 3 phase model fits with conditional NAMAs and sectoral crediting baseline NAMAs
 - » All 3 phases require support, and are “conditional”
 - » Could formulation of a national plan for REDD constitute the unilateral NAMA?

Need tough criteria to go from “conditional” to broad “credit/market” REDD NAMAs

- Stringent criteria for crediting e.g. Waxman-Markey offset provisions
 - » Must address leakage, permanence, accounting for reversals, biodiversity, etc
- Additional criteria could include: secure land tenure policies, enforcement, MRV, avoiding perverse land conversion incentives, etc
- Conditional NAMAs would include national programs and could include subnational for smaller emitters initially

NAMA Registry Goals

- A NAMA registry could be used to:
 - » recognize developing country actions already planned or underway
 - » record conditional NAMAs and initiate matching with financing
 - » record financed and implemented NAMAs
 - » Record approved crediting baselines

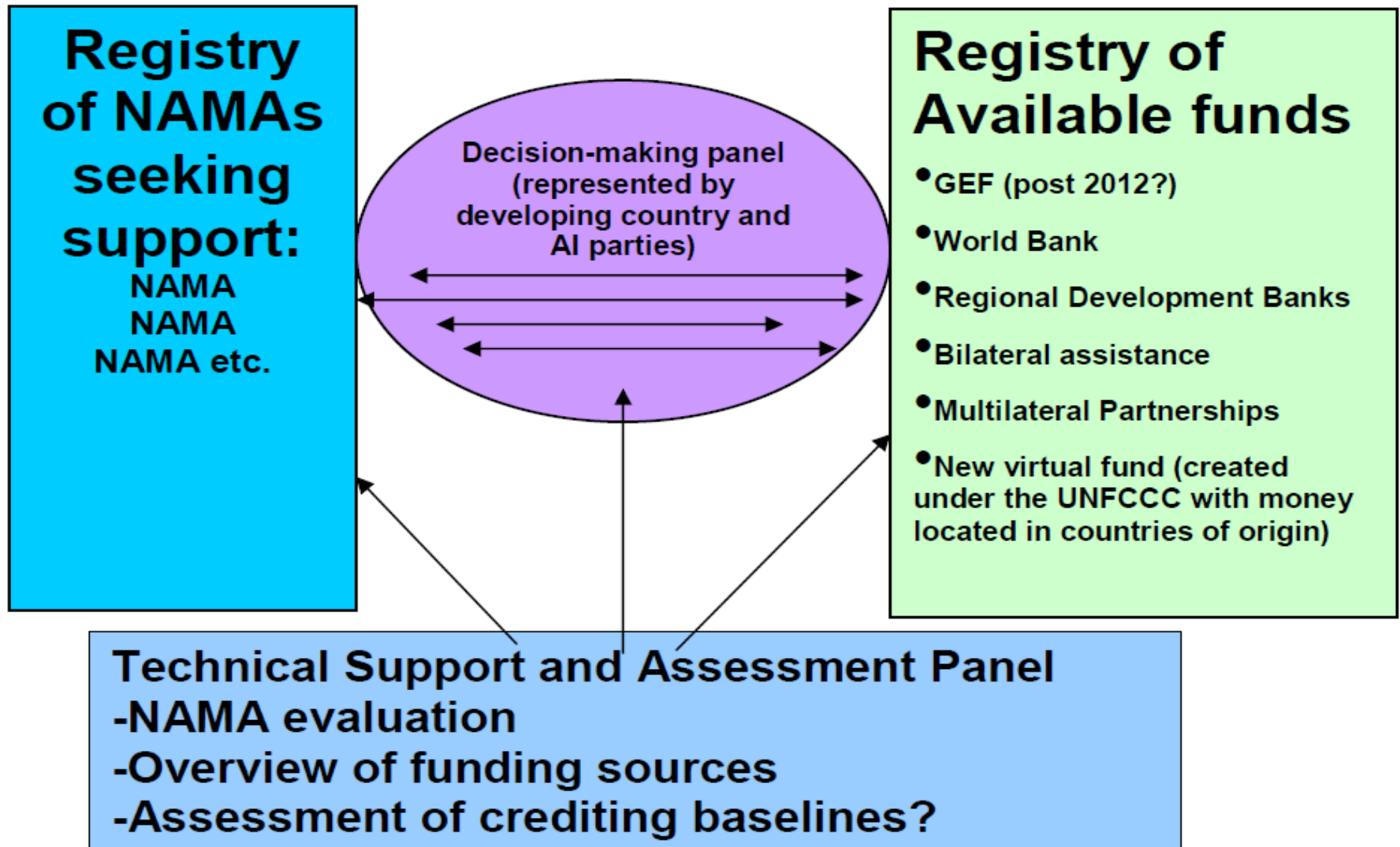
Governance of NAMA Finance

- Structure of governance is critical – who decides what NAMAs get support and who distributes the support?
- Some options:
 - » New UNFCCC matchmaking body aligns requests and pledges
 - » Delegate to IFIs like World Bank or similar institution to decide how the funding is distributed
 - » Direct access – similar to Adaptation Fund

Nature of NAMA support

- Finance for advanced technologies
- Finance for policy implementation (e.g., to write down the costs of a feed-in tariff for renewables)
- Finance to help overcome domestic barriers (e.g., creation of Special Purpose Entities by IFIs like the IADB)
- Flexible financing tools such as loans, guarantees, grants etc
- Capacity building

Multilateral Financing Facilitative Mechanism under the UNFCCC (Matchmaking Process)



Key Questions

- To get a ratifiable treaty by 2010/2011 will need to know size and scope of developing country actions and size of A1 support
- 1. How do we insure that NAMA finance negotiations in 2010-11 produce material reductions if many countries submit climate plans/strategies?
 - » Prioritize NAMAs/countries? – concentrate first on a specific list of key sectors/NAMAs that produce significant emissions reductions (e.g., electricity, C&T) and on specific developing countries

Key Questions

- US and Australia have suggested creation of an appendix/annex/schedule where agreed-on developing country NAMAs with developed country finance could be recorded as part of the Copenhagen package in 2010-11.
 - » Could no-lose NAMAs be included in the schedule as part of the Copenhagen package? Would these be nationally binding? Internationally?
- What existing institutional structure(s) under the UNFCCC could do NAMA matching with finance to fast-start the process

REDD and NAMAs: Key Questions

- Should the same supervisory body make decisions on conditional REDD NAMAs as makes decisions on other NAMAs? Decisions on crediting baselines for NAMAs, REDD & other?
- Does REDD fit best as NAMA or separate mechanism?
- If some subnational REDD programs are part of conditional NAMAs, how would we insure transition to national conditional programs?