





The future of climate mitigation mechanisms: CDM vs NAMAs

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Purpose of the Clean Development Mechanism (CDM)

Dual objective	Integrity in the CDM	
1. Global emission reductions →	No non-additional CDM projects!	
2. Contribute to sustainable development (SD) →	No harmful CDM projects!	



‘Climate first approach’, while SD a **secondary** goal:

- Sustainability benefits have no financial value
- host countries define their own sustainability criteria
- weak SD tool

NAMAs

- **Nationally Appropriate Mitigation Measures (NAMAs)** = A set of policies and actions that reduce emissions in developing countries and contribute to domestic sustainable development (Bali Action Plan in 2007)
- Move away from project based (CDM) to more sectoral approaches
- Allow a focus on developing countries' **own contribution to sustainable development**



NAMAs are divided into two broad categories:

1. Unilateral NAMAs implemented and financed by the host country itself
2. Supported NAMAs: implemented by the host country with financial aid from a developed country



Offsetting versus Climate Finance

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-CO₂

Purpose of NAMAs

- In future 2015 climate agreement, developing countries are expected to contribute to mitigation efforts

Cancun Agreement, December 2010: *“Developing country parties will take nationally appropriate mitigation actions in the context of sustainable development ... aimed at achieving a deviation in emissions relative to ‘business as usual’ emissions in 2020.”*

NAMA objectives:

1. **Contribute to national sustainable development** and represent developing countries net contribution to the global mitigation effort to stay below 2 °C of warming = **key driver for NAMAs**
2. **Development first** - GHG reductions represent a positive externality



Opportunity for NAMAs

- **Moves away from the traditional offsetting** and focus only on developing countries' own contribution to mitigation
- address carbon emissions in a variety of sectors (transportation, agriculture and REDD)
- **'Development first approach'** - NAMAs are typically driven by development objectives with GHG reductions as a co-benefit
- Provide lessons for Intended Nationally Determined Contributions (INDCs)
- Green Climate Fund



Reminder: CDM shortcomings

- Large amount of **non-additional** projects
 - Research estimates that the CDM may have delivered less than 40% of the emissions reductions it sold
 - If non-additional projects remain eligible they could increase cumulative global GHG emissions
- Concerns about CDM projects with **little or no sustainable benefits** (e.g. large hydro projects)
- Concerns about CDM projects with **adverse social impacts** (violations of the local stakeholder consultations requirements, indigenous peoples rights, etc.)



Lessons learnt from CDM for NAMAs

- Designing and implementing rules and guidelines on how to quantify, verify and monitor sustainable development benefits
- Criteria and indicators for Measuring, reporting and verification for emissions reductions,
- Designing and implementing public participation processes



→ The **NAMA Partnership** established to share information and knowledge in support of developing countries. It includes multilateral organizations, bilateral cooperation agencies and think tanks.

Challenges for NAMAs

- Most NAMAs still at design stage
- Only few pilot programmes being implemented
- Challenges for robust public participation processes even greater because no international rules
- Challenges about clear sustainable development indicators similar to the CDM

→ ... lots of work still to be done!

