



## NAMAs vs CDM

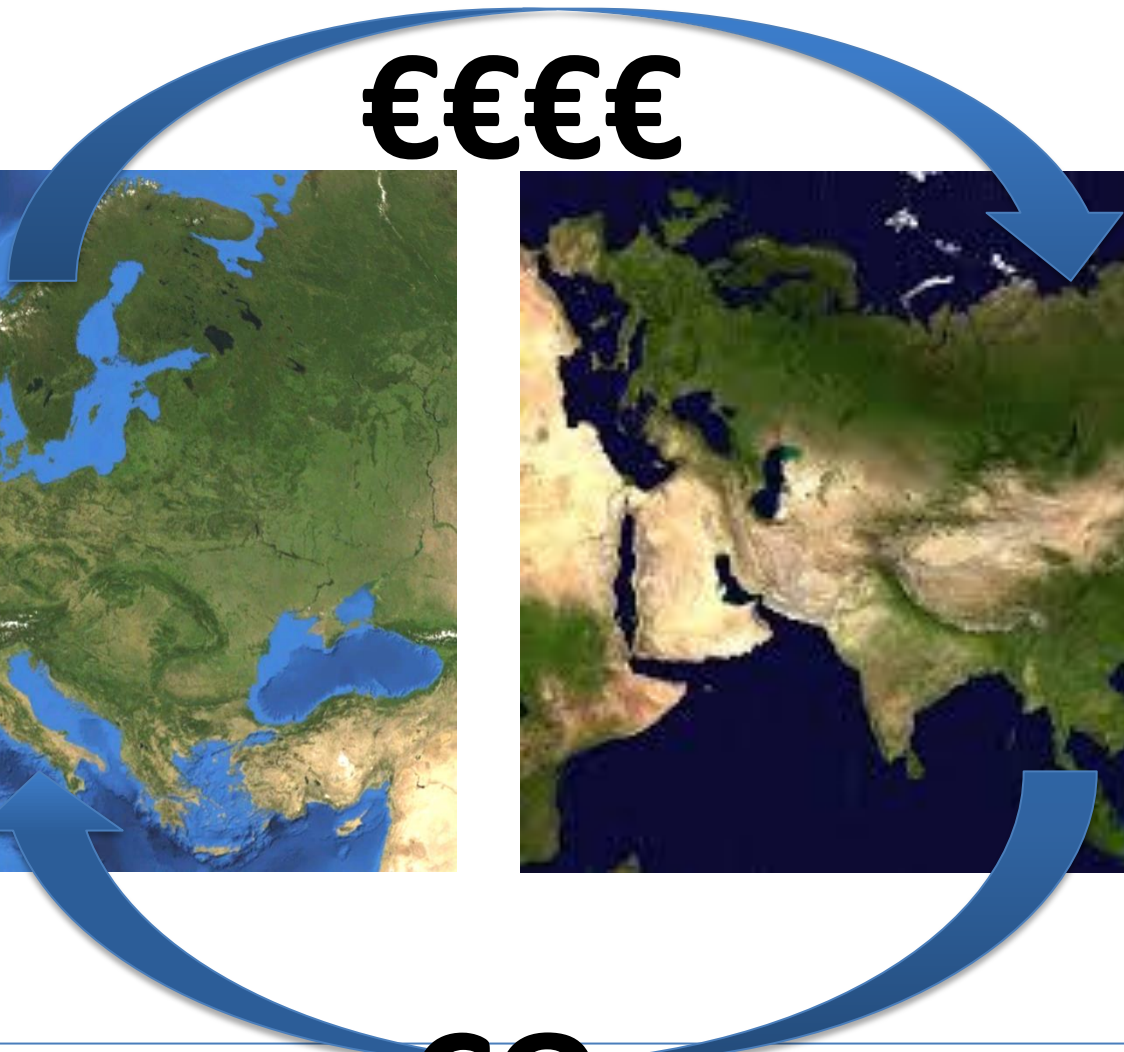
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# Offsetting versus Climate Finance

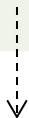
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-CO<sub>2</sub>

# Purpose of the 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!	



SD as 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 countries undertake as part of a commitment to reduce greenhouse gas emissions (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

# Purpose of NAMAs

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

## 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. GHG reductions represent a positive externality



- Recognizes that different countries may take different nationally appropriate action on the **basis of equity** and in accordance with 'common but differentiated responsibilities' (**CBDR**)

# Reminder: CDM shortcomings

- Large amount of **non-additional** projects in the pipeline
  - 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 by up to 3.6 billion tonnes CO<sub>2</sub>e through 2020
  - Between now and 2020, **70% of credits** are expected to come from such business as usual projects
- Concerns about CDM projects with **little or no sustainable benefits** (e.g. industrial gases such as HFC-23 and large hydro projects)
- Concerns about CDM projects with **adverse social impacts** (violations of the LSC requirements, indigenous peoples rights, etc.)



# Opportunity for NAMAs

- **Moves away from the traditional offsetting** and focus only on developing countries' own contribution to mitigation
- Contribute **not to only mitigation, but also adaptation** of communities to climate change.
- **An ex-ante** (development first, procedural approach to 'nationally appropriate') and an **ex-post assessment** (of SD co-benefits and impacts for transformational change) are complementary and part of an integrated approach covering all stages in the NAMA action cycle



# 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 MRV 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!

