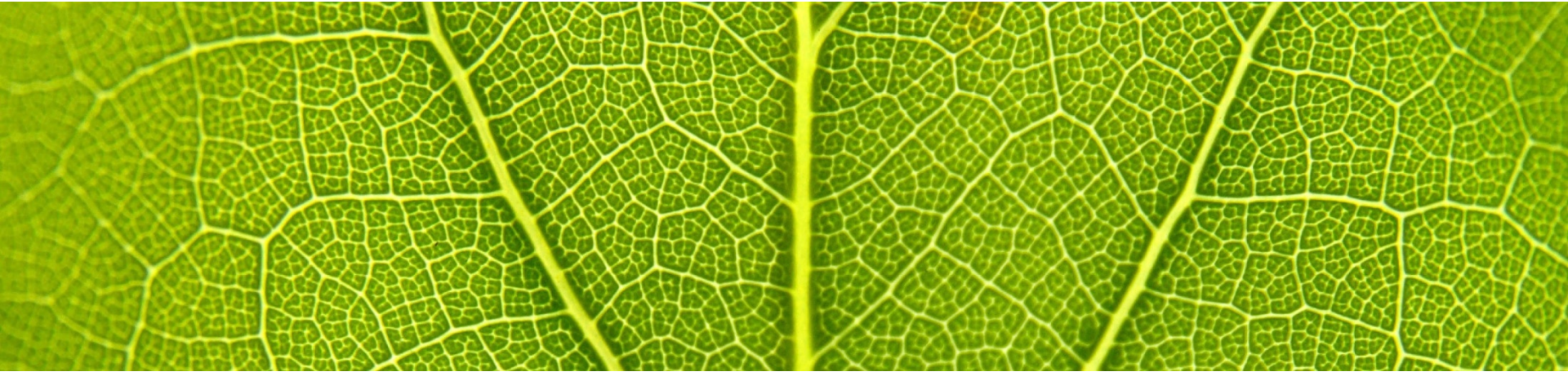




sustainable energy for everyone



Crediting NAMAs

Is it possible or not?

Christian Ellermann

Chief Representative Ecofys China

Questions

- What is the connection between NAMAs and the carbon markets?
- Is it possible to generate CO₂ certificates through NAMAs?
- What are possible points of connecting NAMAs and a carbon market mechanism?

Overview

- Status of the international discussion – UNFCCC
- NAMA development globally
- Compatibility of the two approaches – i.e. NAMAs and carbon market mechanisms
- Role of carbon markets to finance NAMAs
- Sectoral approaches and NAMAs

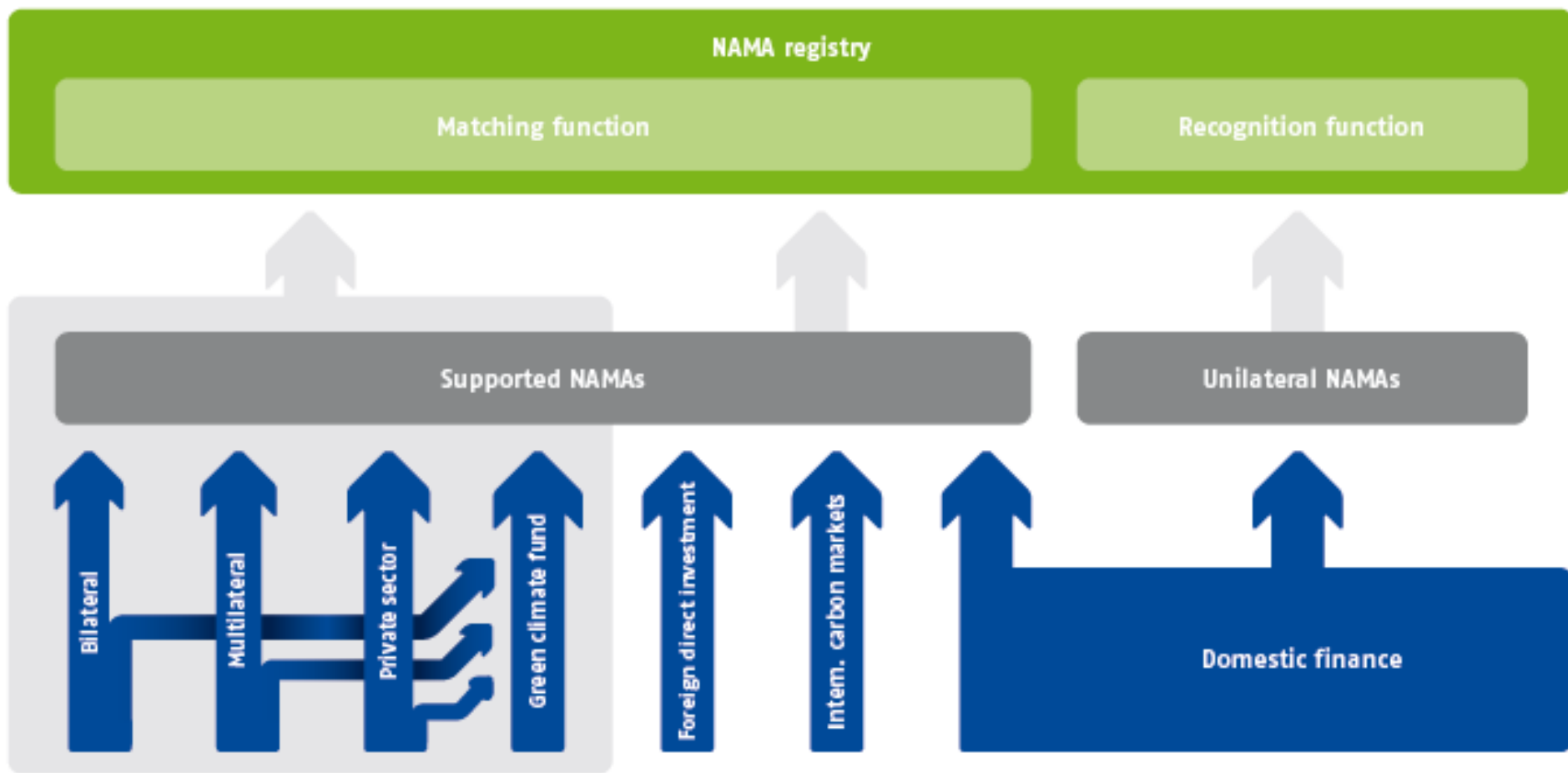
UNFCCC level

- Two negotiation tracks
 - NAMAs
 - New Market Mechanisms (NMM)
- Different suggestions that aim at linking both approaches
 - South Korea: NAMA Crediting System as a part of NMM
 - Switzerland: Crediting rules in order to partially accept emission reductions as unilateral NAMAs
- NAMA crediting or “Credited NAMAs”?

NAMA finance

Financial flows

Information flows

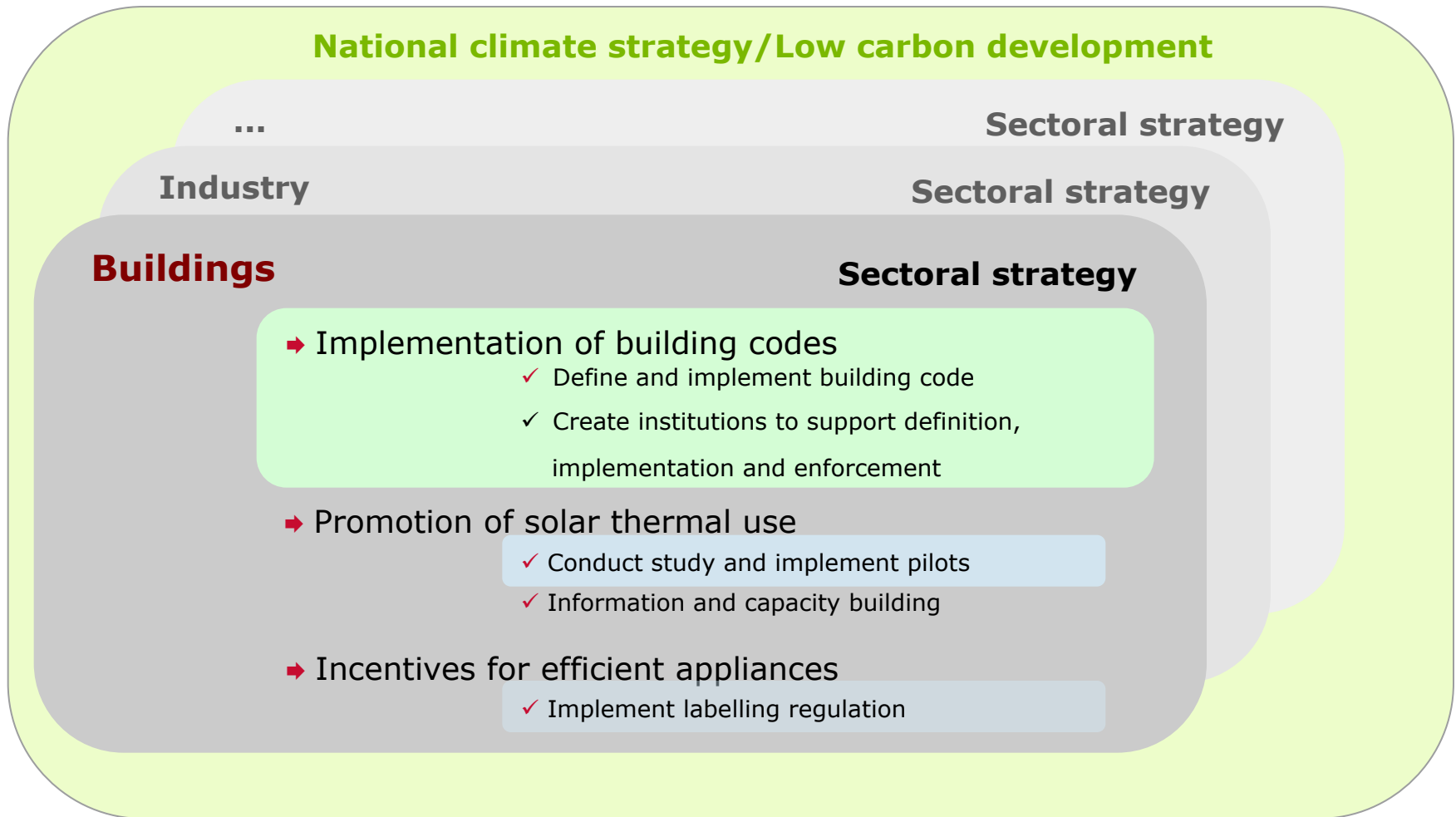


NAMA typology

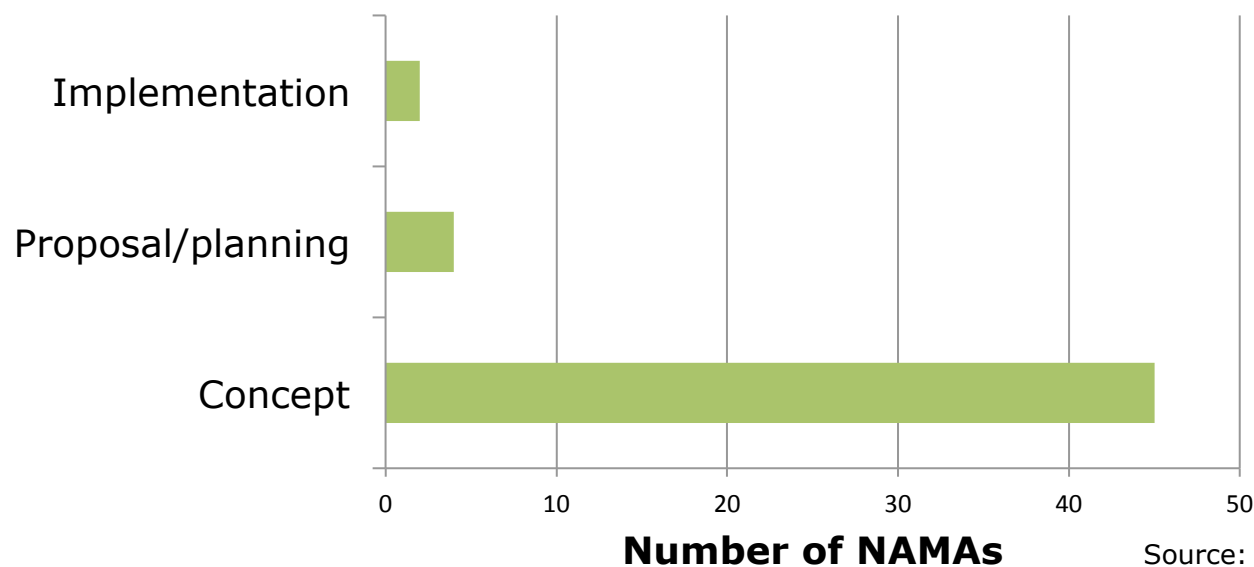
- NAMAs can be:
 - **Strategies** (e.g. renewable strategy – wind, solar, tidal)
 - **Policies** (e.g. energy efficiency standard, Feed-in tariff)
 - **Programmes** (e.g. energy efficient lighting programme)
 - **Projects** (e.g. Bus Rapid Transit lane)



Potential scope of a NAMA





NAMA development globally




- 50 countries have officially submitted NAMAs to the UNFCCC
- www.nama-database.org – includes 52 NAMAs from 24 countries
- Current focus: strategies and comprehensive policy measures
- No NAMA financed so far

www.nama-database.org




**NAMA
database**


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NAMA database wiki

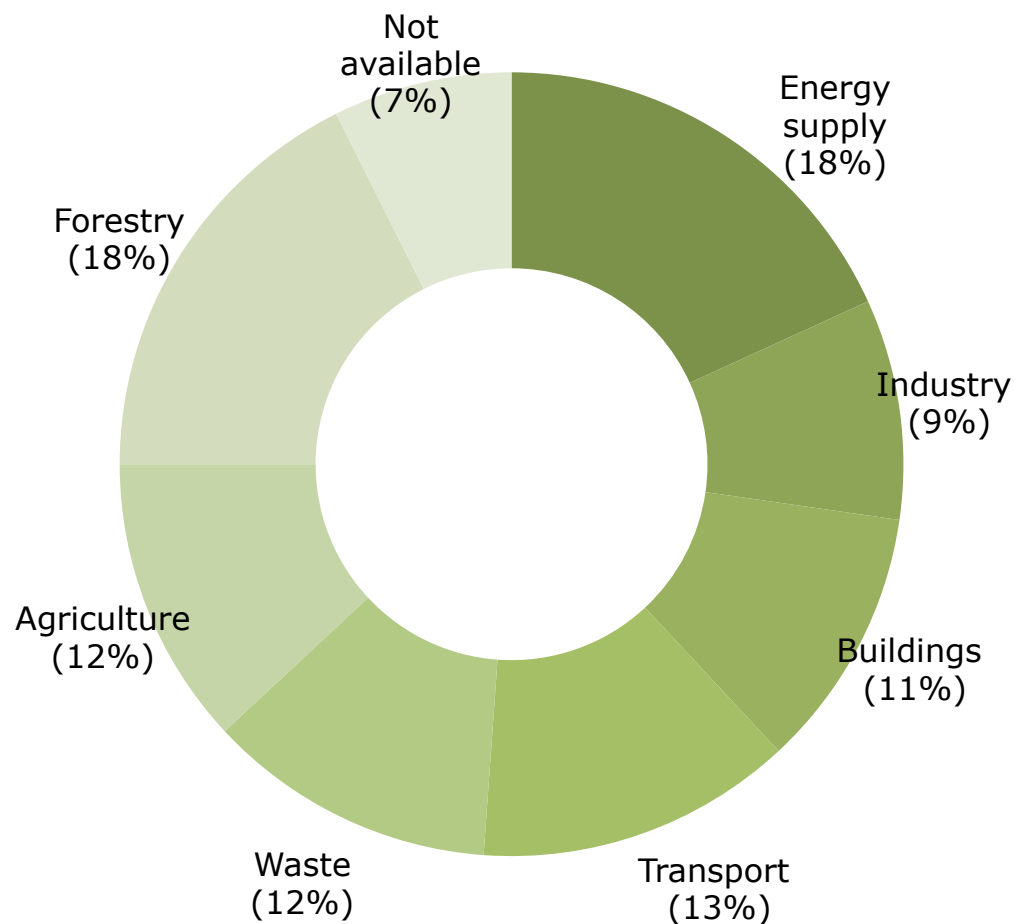
This wiki contains a database of Nationally Appropriate Mitigation Actions (NAMAs) happening around the world. The objective is to share these activities so that countries and other

**NAMA
database**



- WIKI Format – open platform
- Complementary to the UNFCCC NAMA registry
- Includes 52 NAMAs
- Other relevant information, e.g. NAMA Templates

NAMA submissions to the UNFCCC

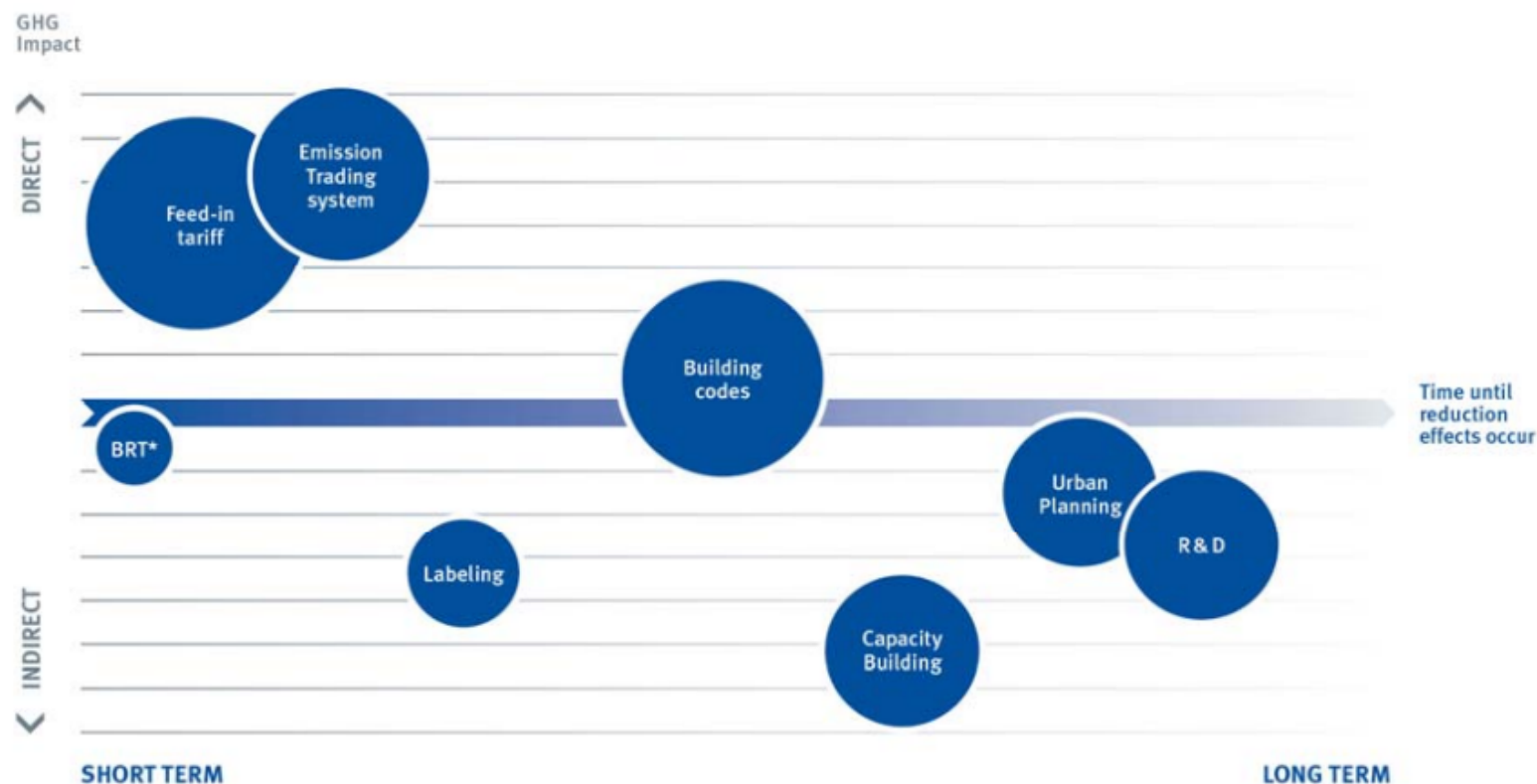


- 50 countries submitted NAMAs to the UNFCCC
- Wide variety of types and detail of information provided

Supported NAMAs versus CDM

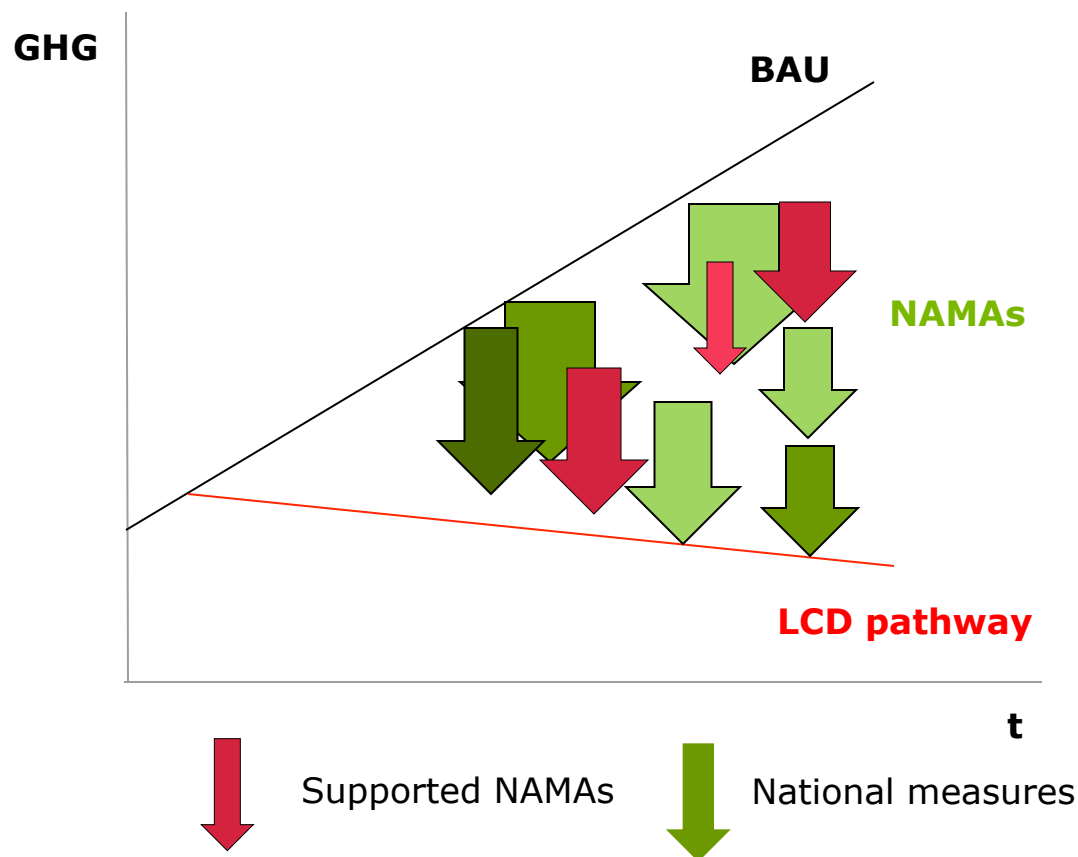
	NAMA	CDM
Type of activity	<ul style="list-style-type: none">- National Strategy- Policy- Programme- Project	<ul style="list-style-type: none">- Individual Project- Aggregation of projects
Finance flow	To government	To project developer
Carbon credits	No	Yes
Sustainable development benefits	Very important ('nationally appropriate')	Prerogative of host country
Sectors	All sectors possible	All, but currently focused on electricity generation, industry and waste

Direct vs indirect effects



- Measurability of direct CO₂ reductions through NAMAs?
- Focus on direct reductions is counterproductive for NAMAs

GHG impact of NAMAs



NAMAs cannot be aggregated into tCO₂ reductions because of

- Overlapping
- Gaps in attribution

Impacts can be visible at national or sectoral level

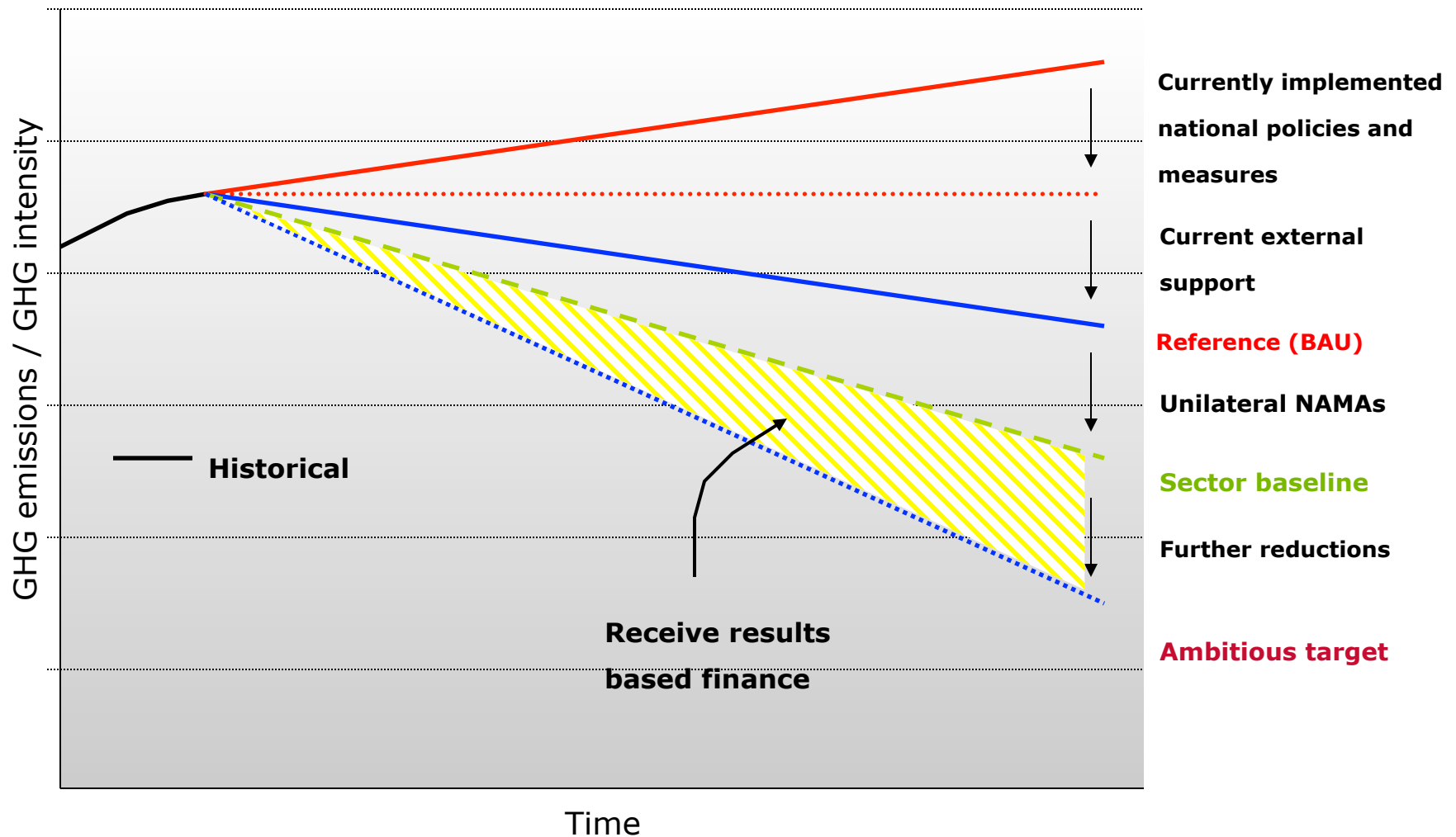
Additional challenges

- “Double counting” of
 - Emissions reductions
 - Financial support
- “Low hanging fruit” problem
 - Cheap mitigation options should be reserved for the developing countries
 - More expensive mitigation options not attractive for the carbon market without further incentives
- Demand for additional certificates
 - Expected supply of CERs already surpasses the expected demand until 2020

(Private sector) financing

- Carbon markets are only one possible option for private climate change mitigation finance
- NAMAs offer direct investment opportunities
 - Improvement of investment climate through NAMAs (incentive systems, risk reduction, etc.)
 - Private-Public Partnerships (PPP)
- Carbon markets could possibly finance individual components of NAMAs – but still
 - Difficulties in defining the boundaries
 - Problem of double counting
- Sectoral approaches interesting with regards to MRV and NAMA financing (also without offsetting)

Sectoral approaches / results-based finance



Summary

- Term “credited NAMA” difficult
 - NAMA credits would either be projects (CDM/PoA) or sectoral (NMM)
 - Important to separate the terms in view of the (int’l) political debate
- Role of carbon markets limited for NAMA finance
 - Different concepts – not necessarily compatible
 - Possibly partial finance of individual technology components
- Continue thinking about sectoral approaches and their connection to NAMAs

Thank you!

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