

Options for “NAMAs”

Paul Baer

Research Director, EcoEquity

Assistant Professor, School of Public Policy

Georgia Institute of Technology

IPD/SCI Climate Change Task Force Meeting

June 17, 2009

What is a “NAMA”?

From the “Bali Action Plan” (Decision CP.13)

The conference of the parties

Resolving [blah blah blah]

1. *Decides* to launch a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, in order to reach an agreed outcome and adopt a decision at its fifteenth session, by addressing, inter alia:
 - (a) A shared vision for long-term cooperative action, including a long-term global goal for emission reductions, to achieve the ultimate objective of the Convention, in accordance with the provisions and principles of the Convention, in particular the principle of common but differentiated responsibilities and respective capabilities, and taking into account social and economic conditions and other relevant factors;

NAMAs defined: Bali Action Plan 1(b)(ii)

(b) Enhanced national/international action on mitigation of climate change, including, inter alia, consideration of:

(i) Measurable, reportable and verifiable nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives, by all developed country Parties, while ensuring the comparability of efforts among them, taking into account differences in their national circumstances;

(ii) **Nationally appropriate mitigation actions** by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner;

So, in short, NAMAs (for developing countries) are:

- Actions that will reduce emissions below “baseline” levels
 - Without compromising economic growth (“sustainable development”)
 - Which can be measured, reported and verified
 - Which can make use of “technology, financing and capacity building” from the Annex I countries

Three ways to think about NAMAs

- NAMAs in the context of the UNFCCC
 - A venue for debates about non-Annex I differentiation and about how Annex I financing for mitigation in the South will be controlled
- NAMAs in the context of the climate crisis
 - Given the urgency of limiting/reducing emissions in developing countries, what should they actually do, if it's in their direct “economic” interest, or they're given the support to do it?
- NAMAs in the context of the development crisis
 - What distortions in development priorities will come with a focus on mitigation?

What are “options” for NAMAs?

- What kinds of “actions” might developing countries actually propose?
 - Renewable energy instead of fossil energy
 - Efficiency improvements
 - Price-based policies
- What kind of institutional arrangements for measuring, reporting, and verifying NAMAs might be implemented?
- How might NAMAs be supported?

Putting NAMAs together

- Project Catalyst: “Climate-Compatible Growth Plans” (CCGPs)
- Copenhagen Treaty 1.0 (Leading NGO activists): “Low Carbon Action Plans” (LCAPs)
- Plans to include objectives, requirement for financial/technical/capacity support
- “Somebody” has to evaluate ambition, reasonableness of support requests

“Copenhagen Climate Facility” (NGO draft treaty)

“In order to enhance the implementation of the Convention in accordance with the Bali Action Plan and its four building blocks, a new institution, the Copenhagen Climate Facility (CCF), is needed. This institution should ensure the comprehensive, effective and inclusive delivery of the obligations of industrialized countries (QERC’s and MRV Support) as well as the implementation of the actions (adaptation and mitigation) in developing countries, with a necessary level of accountability.”

“Mitigation Board” (NGO draft)

- LCAPs should include an indication of the link between NAMAs and the country’s overall level of ambition. The Mitigation Board should also be mandated to assess whether the proposed NAMAs would indeed contribute adequately to meeting the overarching developing country group aim. Should the proposed NAMAs not contribute adequately to the overall level of ambition, the Mitigation Board would enter into a dialogue with countries to consider additional NAMAs and/or MRV support, as required.

Catalyst caveats:

- “ even the simplest sectoral schemes would require
 - (a) an agreed methodology for establishing the baseline, calibrated against self-tightening international benchmarks;
 - (b) additional sources of up-front funding, since in principle payments might all be ex post ‘pay for performance’;
 - (c) effective MRV capacity; and
 - (d) an institutional mechanism within the developing country able both to set and enforce the sector baseline and, in effect, to allocate domestic allowances to the different industry players.

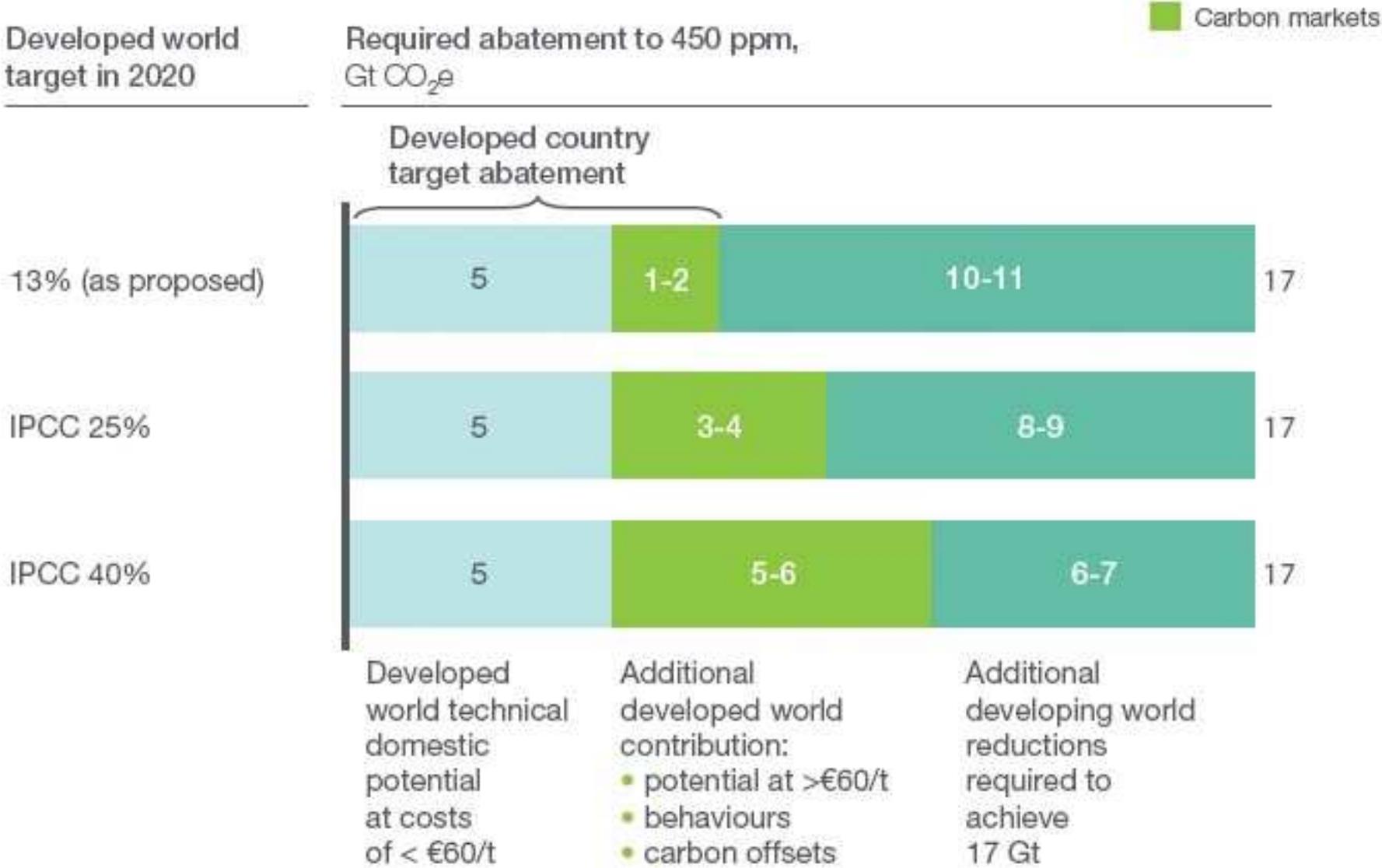
Some significant concerns

- Mitigation is a political, not merely a technical, problem
- Job displacement is a much larger problem in developing countries without social insurance
- Processes or plants which are dependent on imported parts, licenses, etc. are an “economic security risk”

Issues with price mechanisms

- How would appropriate carbon taxes be set?
- How would “lifeline” rates be set?
- How would tax incidence on the poorest be offset or compensated?
- What about non-carbon externalities?

Exhibit 14: Developed world contributions over and above abatement achieved domestically



Source: Project Catalvst analysis