

BRIEFING PAPER NAMAS BY DEVELOPING COUNTRIES

HISTORY OF NEGOTIATIONS

In light of the significant global emissions reduction needed to ensure achieving ultimate objective of the Convention, countries agreed at Bali (the Bali Action Plan or BAP) 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”.

A key pillar of BAP was to identify “ways and means to enhance national/international action on mitigation of climate change”. Two key elements of this were:

- Measurable, reportable and verifiable (MRV) nationally appropriate mitigation commitments or actions, including quantified emission limitation and reduction objectives (QUELROs), by all developed country Parties, and
- Nationally appropriate mitigation actions (NAMAs) by developing countries in the context of sustainable development supported and enabled by technology, financing and capacity-building, in a MRV manner.

BAP launched the Ad-hoc Working Group – Long-term Cooperative Action (AWG-LCA) to prepare an outcome to enable full, effective and sustained implementation of the Convention.¹ Discussion on the development country mitigation actions led to Cancun agreement, define the developing country mitigation obligations as well as arrangements for supporting these obligations as well the MRV framework, , aspects of which were further agreed in the Durban outcome. The key elements of decision that define the mitigation obligations are:

- Low Emissions Development Studies - The COP encouraged developing country Parties to develop low-emission development strategies, recognizing the need for financial and technical support by developed country Parties for the formulation of these strategies.
- Voluntary mitigation actions: developing country Parties will take nationally appropriate mitigation actions (NAMAs) in the context of sustainable development, supported and enabled by technology, financing and capacity-building, aimed at *achieving a deviation* in emissions relative to ‘business as usual’ emissions in 2020”.
- Support for NAMAs:
 - Enhanced support: Developed countries to provide enhanced support for preparation and implementation of nationally appropriate mitigation actions, and for enhanced reporting.
 - Registry: Established a Registry as a web-based platform for facilitating matching of support to NAMAs seeking international support as well as record mitigation actions

¹ The issue is also linked to ADP and is discussed under the workstream on “enhancing the ambition pre-2020”.

- seeking recognition. Further it will, record information on *support* available and provided by the developed countries.
- Green Climate Fund: established GCF as an operating entity of the Financial Mechanism (FM) of the Convention, for providing support to the developing countries, including on mitigation. GEF is an existing operational entity of the FM. International, regional, and bilateral entities too were requested to support the developing country efforts to address climate change.
 - Measurement, Reporting, and Verification:
 - Internationally supported NAMAs will be domestically MRVed and subject to international MRV according to guidelines for International Consultation and Analysis (ICA).
 - Domestically supported NAMAs will be domestically MRVed in accordance with general guidance developed by the Convention and its outcomes and impacts will be subject to ICA.
 - Reporting: developing countries to submit National Communications every four years and a biennial update report (BUR), as per guidelines agreed at Durban.² BUR will include GHG inventory as well as information on planned and implemented NAMAs, as well as their outcomes and impacts.
 - International Consultation and Analysis (ICA) of the information contained in BURs will be undertaken as per modalities and guidelines agreed at Durban.

KEY OUTSTANDING ISSUES

Understanding NAMAs

Understand the diversity of NAMAs: A number of countries have suggested development of a uniform framework for reporting information on NAMAs, including:

- Underlying assumptions and methodologies for estimation of GHG reductions: The NAMAs submitted by developing countries varies from a list of specific projects (e.g., installing 100 MW wind energy generation plant) to country wide goal (e.g., Costa Rica has taken a voluntary goal of becoming carbon-neutral by 2020). But in most cases, especially for countries that have submitted nationwide or sectoral goals, it is not clear how these actions would result in reducing emissions below the BAU. Many Parties have asked for clarity on gases and sectors covered, the assumptions for BAU (such as GDP growth, growth in energy demand, policy and regulatory framework, etc.), methodology for estimating the emissions reductions from proposed actions, etc.
- Clarity on how much of the voluntary actions included in INF.1 would be implemented by developing countries using own resources and what would need international support for implementation. A number of countries had submitted their NAMAs in response to call under the Copenhagen Accord and subsequently in response to call by Cancun agreements. All the countries indicated that NAMAs are contingent upon availability of support. But in most of the submitted NAMAs it is not clear whether the effort will be based entirely on international support or countries also plan to undertake actions using their own resources.

² Annex III, decision 2/CP.17.

A number of Parties have, in view of improving the understanding, called for development of a common information framework in reporting NAMAs. Whereas, other Parties are of the view that NAMAs are country-driven, diverse and must respect national circumstances, thus standardization of NAMAs will remove the flexibility on designing NAMAs as per country' circumstances. Also, many Parties have mentioned that further information on NAMAs would be provided through BURs and NCs³ These issues have not been dealt directly in the negotiations but through a series of workshops that have been organized since Cancun. As the Parties at Durban agreed to give one year for the LCA to complete it works at which time is will terminate, a key question is how would the process continue beyond Doha and under which body to continue these discussions.

A related issue is submission of NAMAs by those countries that have not submitted them till date. Though call for countries to submitted their NAMAs was repeated again in Durban Outcome, a number of Parties are yet to submit their NAMAs.

MRV of NAMAs

At Durban, Parties agreed to further discuss the following two issues on MRV:

- Domestic MRV: At Durban Parties agreed that domestic NAMAs will be MRVed domestically in accordance with the general guidelines for Domestic MRV developed by COP. COP, through Durban Outcome, requested SBSTA to develop general guidelines for domestic MRV of NAMAs.
- ICA: At Durban, Parties agreed to modalities and procedures for ICA of BURs and NCs. Further, it was agreed that ICA would be taken in 2014 after submissions of the first BURs. As per the modalities and guidelines of the ICA, first step is technical analysis of information submitted by a team of technical experts. In order to facilitate this, COP requested SBI to develop modalities and procedures for analysis of BURs by expert teams and their composition.

A number of Parties are of the view that the MRV framework, barring the two issues mentioned above, have been completely developed and adopted through decisions at Cancun and Durban. Though, some Parties are of the view that a common accounting framework is needed for developing countries as well to account their national GHG emissions. Such a framework would enable a clear assessment of adequacy of efforts by all Parties to meet the 2 deg goal adopted in the Cancun Agreement.

Support to NAMAs

Two issues carried forward from Durban were:

- In order to put in place the institutional framework for providing support to preparation and implementation of NAMAs, COP requested the Secretariat to prepare a prototype of Registry for approval by COP at Doha.
- Further, at Durban Parties could not address the issue of systems and process for provision of support to prepare and implement NAMAs.

³ Biennial Update Reports and National Communications.

STATUS OF NEGOTIATIONS IN 2012

At Durban Parties agreed to extend the AWG-LCA by one year to reach its agreed outcome at which time LCA will be terminated. A key issue in that has arisen in this context is of consideration of issue under LCA that may not be concluded at Doha. The discussions in 2012 should be seen in this context.

Table 1 – Summaries of NAMA-related issues discussed in Bonn (May 2012) & Bangkok (August 2012)

Topic	Body	Bonn	Bangkok
Understanding NAMAs	AWG-LCA	<p>The issue was discussed both at the Workshop on understanding the diversity of NAMAs, as well as, spin-off group. The key issues discussed were:</p> <ul style="list-style-type: none"> - Definition of NAMAs and common template for providing information on NAMAs - Information on BAU, its assumptions, and methodologies. - Nature of developing country pledges - Arrangements post Doha to continue discussions on Understanding NAMAs. <p>Agreed to a workshop on diversity of NAMA and support at Bangkok</p>	<p>Discussions in Workshop and the Spin-off group focussed on the following:</p> <ul style="list-style-type: none"> - Developing countries obligations are to implement actions that reduce emissions and not to the outcomes, i.e., a reduction targets⁴ - Arrangement post Doha to continue the process of understanding NAMAs - Request to SBSTA to prepare a guideline for information to be submitted for different types of NAMAs - Call upon countries to submit their NAMAs as well as more information by those who have submitted their NAMAs <p>Some Parties raised the issue of discussing NAMAs in context of ADP.</p>
MRV of NAMAs	AWG-LCA	<p>Discussions in workshop and spin-off group focussed on:</p> <ul style="list-style-type: none"> - Common accounting rules for developing country reporting - National monitoring systems 	<p>The secretariat note circulated at Bangkok indicated that all the MRV issues have been addressed and those to be addressed are being discussed under SBs. Parties in general agreed with the approach, though some countries raised the issue of common accounting rules.</p>
	SBSTA	<p>General guidelines for Domestic MRV, key issues raised during discussions:</p> <ul style="list-style-type: none"> - Objective of guidance should be to develop a robust MRV system - General guidance should be in terms of good practices, based on existing developed and developing country experiences <p>SBSTA agreed to continue the discussions at its 37th meeting. The issue is linked to progress on other issues, especially finance under LCA.</p>	
	SBI	Composition, modalities, procedures	

⁴ See Bangkok workshop summary at http://unfccc.int/meetings/bangkok_aug_2012/workshop/7027.php

		<p>for team of experts for ICA; Key issues</p> <ul style="list-style-type: none"> - Who manages the process of analysis – Consultative Group of Experts (CGE) or the Secretariat - Financial support for the process - The scope of analysis by the expert teams <p>A draft decision was discussed at the session and shall form the basis for further discussions.</p>	
Support	AWG-LCA	<p>The issue of support was, both, brought up in workshop and the spin-off groups. Key issues:</p> <ul style="list-style-type: none"> - Guideline for MRV of support - Process to assess support needed for preparation and implementation of NAMAs, and addressing the support needs - Process to provide technical support for preparation and implementation of NAMAs, including role of CGE - Matching of financial, technical and capacity-building support and NAMAs, including the role of the registry. 	<p>The key issue raised at workshop and the spin-off group were:</p> <ul style="list-style-type: none"> - Request to SBSTA for development of guidelines for MRV of support. - Process and systems for readiness, capacity building for identifying, developing and implementing NAMAs. <p>A suggestion was made to hold regional CB workshops for helping countries develop capacity to identify, prepare, and implement NAMAs. Another suggestion was to request development of technical material for preparing and implementing NAMAs.</p>
	SBI	<p>Registry</p> <ul style="list-style-type: none"> - secretariat presented a draft version of - Parties asked to provide further views on Registry - Secretariat to provide a revised prototype based on views - Secretariat to develop a user manual for Registry 	

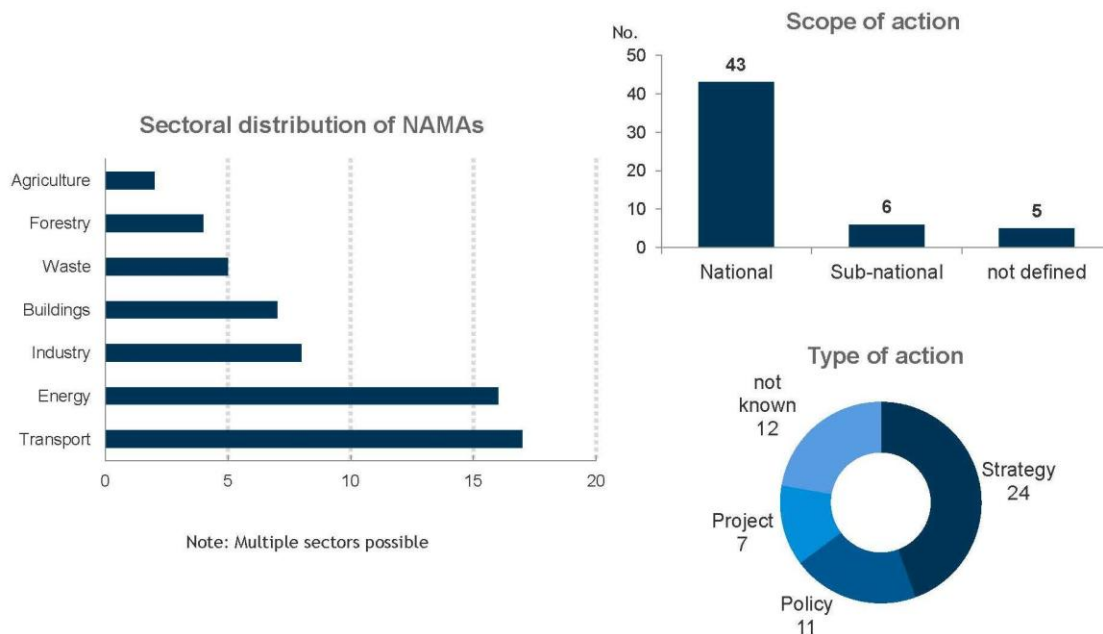
IMPLICATION FOR DEVELOPING COUNTRIES

A number of initiatives under the fast track financing are facilitating readiness in developing countries to prepare NAMAs. As mentioned earlier, the decision on prototype of registry is expected to be adopted at Doha, thus opening the registry for receiving NAMAs seeking support for preparation as well as implementation. As of now, three NAMAs seeking support for preparation have been uploaded on the trial registry website prepared by the secretariat.⁵ Ecofys annual review⁶ of NAMAs highlight that 52 NAMAs are at different stages of preparation. The diagram below gives the status of these NAMAs, their sectoral distribution as well as focus of these NAMAs.

⁵ http://unfccc.int/cooperation_support/nama/items/6945.php

⁶ Ecofys, 2012. Annual Status Report on NAMAs: Mid year Review 2012. <http://www.ecofys.com/en/publication/nama-status-report-update-2012>

Figure 1 - Status, sectoral distribution and focus of the NAMAs under Ecofys Annual Review 2012



The support to developing countries is being provided through different approaches. One such approach is creation of platforms to improve and support coordination of activities among various actors to promote coherence in approaches and bring together entities providing support and technical support along with the developing countries to share experience. Two such initiatives are NAMA partnership coordinated by the UNFCCC Secretariat and Low Emissions Development Strategies Global Partnership (<http://en.openei.org/wiki/LEDSGP>). NAMA partnership is expected to be launched at Doha.

UNEP and UNDP have launched programmes to provide support capacity building on and preparation of NAMAs. UNEP is implementing FIRM (facilitating implementation readiness for mitigation) that supports technical capacity building through supporting countries in preparing development of low carbon development strategies and one or two NAMAs in priority areas. The initial phase covers 9 countries (www.lowcarbondev-support.org). The UNDP, in collaboration with the European Commission (EU) and the Government of Germany (BMU), is implementing the EU-UNDP Low Emission Capacity Building Programme in 14 countries. The initiative aims to strengthen technical and institutional capacities at the country level and facilitate the integration of public and private sector activities to address climate change (www.lowemissiondevelopment.org).

A number of bilateral entities are also providing support to developing countries in NAMAs. A sampling of these efforts are presented here⁷. AFD (The French Development Aid) offers supports for capacity buildings in the following three main fields:

- Formulation of climate change policies for states, SOEs (state owned enterprises), local authorities and private stakeholders

⁷ See forthcoming publication on "NAMAs Finance Study" UNEP Bilateral Finance Institutions Climate Change Working Group.

- Support to financial intermediaries for the establishment of a pipeline of projects with climate change co-benefits;
- Development of expertise on specific subjects required to further methodological developments such as REDD+, NAMAs, carbon markets, adaptation, etc.

JICA's bilateral climate related aid provides support through its technical cooperation and financial support (loan aid and grant aid), and offers comprehensive support at each phase of capacity building, preparation of NAMAs (assistance for strategy formulation), finance and implementation.

KfW, German government-owned development bank, in cooperation with GIZ, acts as an adviser to the German and British Government regarding the introduction of a common facility to provide fast start finance for NAMA programs. KfW undertakes a program-specific preparatory work for the financing of NAMAs. It includes both preparatory studies and methods accompanying the implementation of projects, which consists of methods of capacity building related to limited projects.

NEFCO is a founding partner in the Nordic Partnership Initiative, which seeks to road test NAMA concepts, build market readiness and contribute practical experience into the negotiation process as part of the Durban Platform roadmap. The initiative seeks to establish concrete cases to illustrate NAMAs supported and enabled by technology, financing and capacity-building. The aim of the initiative is to test and learn how a future market-based mechanism could be designed for providing support for up-scaled mitigation action.

Thus a number of initiatives are underway to enable developing countries gain early experience and develop capacities for identifying, preparing and implementing NAMAs. In most developing countries energy and transport are two strategic areas for sustainable development which also has significant carbon footprint. As significant investments are underway in these sectors in most of the developing countries, NAMAs provides an opportunity to move the investments in these sectors to low carbon options. This creates an opportunity for exploiting synergies of development and mitigation.

NEXT STEPS IN NEGOTIATIONS

Next negotiating session of AWG-LCA and SBs, where all the issues mentioned above will be discussed, will take place at Doha.

AWG-LCA 15 -2: Spin-off Group on developing country mitigation actions

As per the agreed agenda, spin-off group will be launched on issues related to NAMAs by developing country Parties. Parties are expected to focus, both, on the issues around understanding of NAMAs as well as support for preparing and implementing NAMAs and related CB needs. In light of the fact that many Parties are of the view that LCA will be terminated at Doha, discussions are likely to include ways of taking forward those issues that may not be addressed at Doha.

Related submissions can we found at the following location:
http://unfccc.int/meetings/doha_nov_2012/session/7054/php/view/documents.php .

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General guidelines for domestic measurement, reporting and verification of domestically supported nationally appropriate mitigation actions by developing country Parties.

As mentioned earlier, The COP, by decision 2/CP.17, requested the SBSTA to develop general guidelines for domestic measurement, reporting and verification of domestically supported nationally appropriate mitigation actions by developing country Parties. A contact group is expected to be established for consideration of this matter and agree on the next steps.

SBI 37

Prototype of the registry

In continuing with discussions at thirty-sixth session of the SBI, where Parties considered the information provided by the secretariat on the design of the prototype of the registry and its request to the Parties for submission of views, a contact group is expected to be established for Parties to consider the prototype of the registry with a view to finalizing the registry through a decision by the COP at its eighteenth session.

Composition, modalities and procedures of the team of technical experts under international consultations and analysis

As mentioned earlier at thirty-sixth session of the SBI Parties initiated, but did not conclude, consideration of the composition, modalities and procedures of the team of technical experts. The SBI will establish a contact group to continue consideration of this matter at its next session, on the basis of the draft text contained in document FCCC/SBI/2012/15/Add.2 and recommend a draft decision for adoption by the COP at its eighteenth session. The secretariat was also requested to prepare additional input to the discussion, but the document has not yet been made available on the UNFCCC website.