

Mitigation Architecture: Links between PoAs, SBs, NAMAs and New Market Mechanism

**Sustainable Development in Central Africa:
Linking climate change mitigation with energy security**

Yaoundé, Cameroun, 22-24 July 2014



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Knowing the terms

- Project Activity (PA)
- Programme of Activities (PoA)
- Standard Baselines (SB)
- National Appropriate Mitigation Actions (NAMA)
- New Market Mechanism (NMM)
- Framework for various approaches (FVA)
- Result Based Financing



PoA & SB- Upscaling the CDM

Programme of Activities

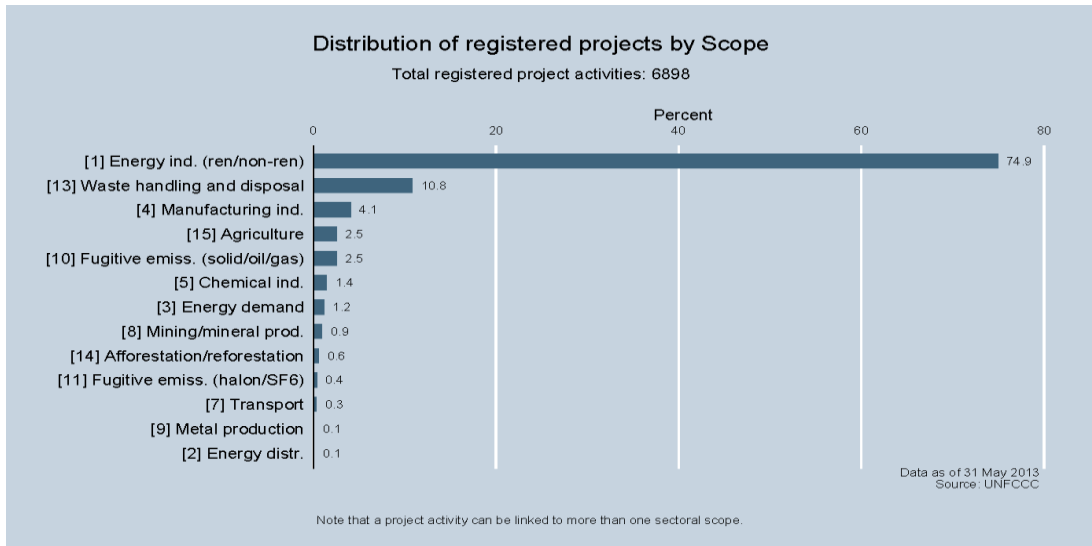
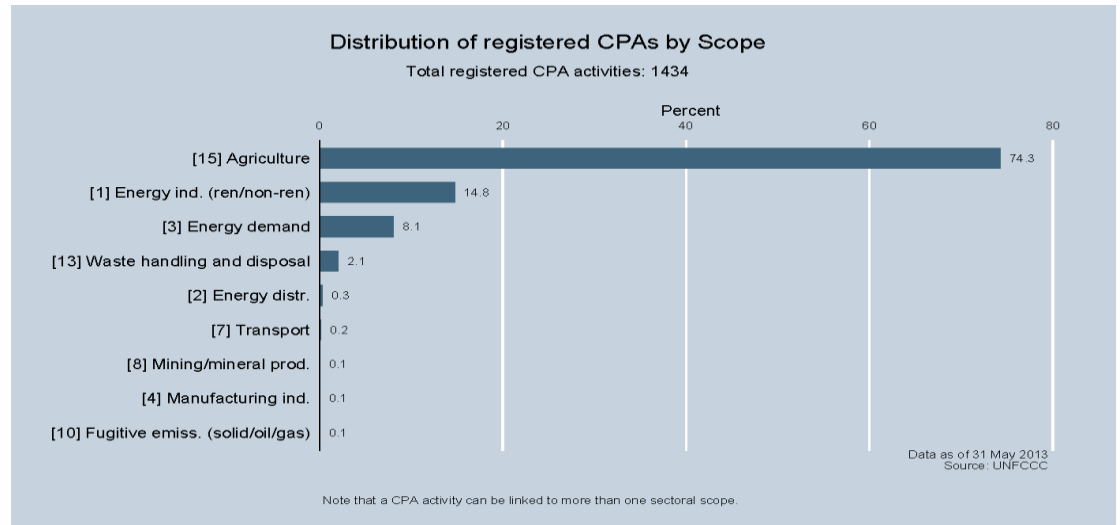
- Local/national /Regional policy or standard cannot be considered as CDM - PA,
- PA under a PoA can be registered as single CDM
- Pooling of geographically dispersed, small scale project activities that present the most attractive project opportunities in on the continent

Standard Baseline

- Baseline established by a party or group of parties to facilitate the calculation of ER and removals and/or the determination of additionality for CDM.



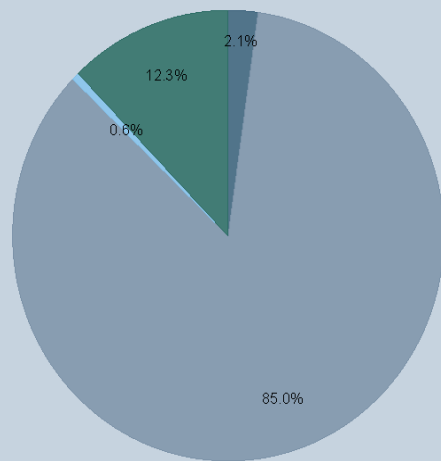
PoA achievement over project by project CDM – Scope



PoA achievement over project by project CDM – Regional Distribution

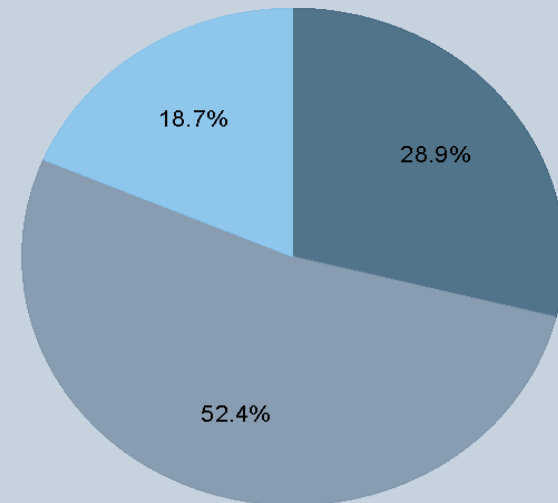
Distribution of registered projects by UNFCCC region

Total registered projects: 6898



Distribution of registered PoAs by UNFCCC region

Total registered PoAs: 163



Africa Asia & Pacific Latin America & Caribbean

Africa Asia & Pacific Economies in transition Latin America & Caribbean



National Appropriate Mitigation Actions Linkages to CDM

- **Voluntary** , implemented in **developing countries**
- Defined by Developing Country based on **national circumstances, data availability and institutional capabilities**
- supported and enabled by **technology, financing and capacity building**
- Monitored, Reported and Verified (**MRV**)
- MRV **domestically/ Internationally** (if supported)
- **GCF** established to finance the supported NAMAs
- **No legal status** without inclusion in the COP decision
- **Diversity** (specific/sectoral/economic linked)
- **NAMA Document: Implementation Aspects**



Other terms

- **NMM** : NMM has to stimulate emission reductions across “**broad segments of the economy**” and go beyond pure offsetting by “ensuring a **net decrease** and/or avoidance of global GHG.”
- **FVA** “**must meet standards** that deliver real, permanent, additional, and verified mitigation outcomes; avoid double-counting of effort; and achieve a net decrease and/or avoidance of greenhouse gas emissions.
- **Result-based financing (RBR)** is a concept according to which financial support is provided *ex post* based on verified achievement of pre-defined outcomes.



Objectives of various elements in the Market Mechanism

	What	Objective	Who
Programmatic CDM	Aggregation of many/all possible activities in a sector or sub-sector, initiated by political or similar actor	Assisting Annex I countries in achieving targets cost-efficiently, contributing to sustainable development of host country	Private entities, governments
Standardised Baselines, 'Sectoral CDM'	Setting a baseline for all installations or activities in a sector or sub-sector in a country	Assisting Annex I countries in achieving targets cost-efficiently, contributing to sustainable development of host country	Private entities, governments
Sectoral Crediting	Decoupled from specific activities, credits are awarded if emissions from a sector are kept below a pre-defined level	Achieving large-scale net emission reductions in developing countries in the context of sustainable development, and assisting Annex I countries in achieving targets cost-efficiently	Governments, private entities?
Sectoral Trading	Decoupled from specific activities or policies, allowances are issued ex ante based on a sectoral target, with penalty for missing target	Achieving large-scale net emission reductions in developing countries in the context of sustainable development, and assisting Annex I countries in achieving targets cost-efficiently	Governments, (private entities?)
NAMA Crediting	Crediting of specific NAMAs or based on sectoral thresholds	Achieving large-scale net emission reductions in developing countries in the context of sustainable development, and assisting Annex I countries in achieving targets cost-efficiently	Governments, (private entities?)



Importance of CDM in Future

- It gives the **global carbon market a mature framework** to measure the environmental integrity of offset projects;
- It gives project developers a **standardized unit** to bring to market to finance their projects;
- It gives both emitters and project developers a variety of **options to contribute to sustainable development**; and
- It gives the market as a whole a generally **recognized approval process** that helps the international community judge the contribution to sustainable development and greenhouse gas mitigation.
- It ease in **mobilizing the carbon market's financing** power for international climate financing.



Challenges that loom over all mechanism

- Estimation of BAU emission scenario (ex-ante forecasting)
- Establishment of Common Accounting rules, standards, criteria and/or procedures.
- Stimulation of mitigation across broad segments of the economy.
- Overlapping with the existing and new mechanism (double counting)
- MRV (technical provision ,non-GHG impacts)
- Addressing policy impact in mitigation
- Level of aggregation of data
- Institutional capacity at the national level
- Cost effectiveness – Environmental Integrity



Way forward to fit CDM for future

- Simplification of additionality (positive lists ,default factors) demonstration and MRV
- Expanding the sectoral and geographical distribution of projects,
- Increased cost-effectiveness and development of more SB
- Development of more and more Sectoral approaches s to answer the criticism of Project-by-project assessment being “time consuming”.



Striving to achieve what ???

- Scaled-up mechanisms mobilises carbon finance on a much larger scale than so far.
- Aggregate target level for sectors will be better able to reach sectors the CDM has so far hardly tapped, especially transport and buildings.
- Incentivizes developing countries to implement climate-friendly policies.
- At aggregate level the mechanisms will be more environmentally robust and cost effective



THANK YOU!
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