USE OF CDM TO OTHER MITIGATION INSTRUMENT (NAMA)

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Outline

- 1. CDM and NAMA definition Synergy ??
- 2. Use of PoA for NAMA
- 3. Use of SB ,Methodologies for NAMA
- 4. Use of supressed demand concept for NAMA
- 5. Use of CDM SD tool for NAMA
- 6. Co-Existence of NAMA and CDM
- 7. Areas of synergy between CDM and NAMA
- 8. Further work to make CDM work for NAMA



What is CDM and NAMA

What is CDM : Assist Parties not included in Annex I to the Convention in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments under Article 3 of the Kyoto Protocol. emission reductions are <u>real, measurable</u> <u>and verifiable, and additional</u> to any that would occur in the absence of the project activity;

What is NAMA : Nationally Appropriate Mitigation Actions by developing country Parties in the context of <u>sustainable development</u>, supported and enabled by technology, financing and capacity building, in a <u>measurable,reportable and</u> <u>verifiable manner</u> "aimed at achieving a <u>deviation in emissions relative to</u> <u>business-as-usual emissions in 2020."</u>

<u>Synergy</u>: Interaction or cooperation of two or more mitigation mechanisms to produce a combined effect greater than the sum of their separate effects.



Stepping stone from PoA to NAMAs

- Support implementation of Policy /Programme measure.
 - Definition of Eligibility criteria
 - Project identification, Design inclusion and implementation
 - Programme finance
 - Setting boundaries
 - MRV process
 - Sectoral emission estimation and ladder for supported NAMAs
 - PoA management (CME,QMS), co-ordination efforts
 - Bottom up and top down approaches
 - Cross sectoral projects (urban built)
- Consideration of Interrelated measures Interaction between different measures and policies (entanglement of policies), technological and behavioural changes.





Use of standardized baseline /Methodological tools in development of NAMAs (MRV).

- Scalability; Setting of targets (one or multiple measures)
- Specificities of countries ; Baseline (Level of emissions) BAU Baseline Scenario.
- Sectoral emission estimation and ladder for supported and sectoral crediting (credited NAMA)
- Establishment of appropriate boundaries
- Partially address the issue of double counting.
- Implementation of NAMA requires reference level or pathway against performance.
- Defined set of indicator to monitor the baseline (spatial ,time b and trends as well as associated emissions).





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SCOPE AND APPLICABILITY

- Applicable where the minimum service level is not met (Basic lighting demand, purified water, water treatment);
- Provides methodological approaches for two issues:
- The identification of the <u>baseline measure</u> under a suppressed demand situation; and
- The identification of the <u>baseline service level</u> that should be used to calculate baseline emissions in a suppressed demand situation.



Use of the CDM - Voluntary sustainable development tool





Co-existence CDM- NAMA

- ➢ NAMA a successor/replacement to CDM ??
- Action remain same (projects/policy/program)??
- Actors remain the same (public/private)??
- Selection criteria for CDM and NAMA (Policy, bottom up) ??
- Preconditions and requirements prevail same (Additionality/SD) ??
- Can NAMA host CDM PoA ?? , how the current rules in CDM can play ??
- ➢ Will policy NAMA halts project NAMA/ PBM projects ??
- ➢ Is migration from NAMA to CDM is easier or the other way around ??







Areas of synergy between CDM in NAMA

- Governance / Accounting Structure and Institutional arrangements (centralized system , registry & ITL , EB, DOE etc.)
- Identification, Design, finance, implementation, co-ordination aspects.
- Setting of appropriate emission boundaries, eligibility criteria's, inclusion of various actions and actors
- Environmental Integrity.
- Setting of right baselines including suppressed demand.
- MRV provision (Program level assessment (poA) / bottom-up and top down approaches); different verification levels ??
- Transparency and Independence ; use of institutional architecture.
- Participatory approach (local/global stake holder)
- Sampling and QA/QC procedures on data quality
- Sustainable development indicators and tools
- Methodological standards Comparable quality and fungible





Further area of work in CDM to FIT NAMA

- Reduce complexity in MRV procedure.
- Policy impact evaluation with other mitigation actions.
- Further work on the sector wide approaches (broad segments of economy).
- Flexibility in monitoring methods depending on Size and other socio ,techno ,economic parameters.
- Strengthening assessment of non-GHG estimation and MRV
- Development of more ex-ante (up-stream) standardized approach and reduced ex-post MRV (setting baseline etc)
- Reduce transaction cost (provide further top-down work in assessment of uncertainty , materiality , reduce monitoring procedures).
- Address the issues of double counting.
- Establishment of Common Accounting rules, standards, criteria and/or procedures.









I can tell you for sure that the CDM will continue, but I can also tell you for sure that it will not be the exclusive market mechanism. I can also tell you for sure that the new markets are going to be based on the current market and they are going to incorporate the lessons learned. Why? Because none of us is dumb enough to take all of that knowledge and just throw it into the trash can. Furthermore, we don't have the time to completely reinvent the wheel. We need to take all the experience we have, we need to take all the knowledge we have and use it to exponentially help countries to get to the mitigation levels that they need to get to.







THANK YOU! parumugam@unfccc.int

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