“Developing country parties will take nationally appropriate mitigation actions 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.”

Cancun Agreement, December 2010
UN Framework Convention on Climate Change

NAMAs and the U.N. Climate Negotiations

During the climate negotiations in Cancun, parties agreed that developing countries will take nationally appropriate mitigation actions or NAMAs to reduce their GHG emissions.

The Cancun Agreement:
» does not legally bind any developing country to reduce emissions;
» does not define what a NAMA can or cannot be;
» does not specify how much the avoided emissions or the emissions reductions should deviate from ‘business as usual’ by 2020.

Despite the nebulous nature of the NAMA, the Cancun Agreement set off a flurry of activities in many developing countries, as parties have begun to explore ways to leverage NAMAs to gain international support and/or recognition for low-emission development at home.

Pathways towards emissions reductions: excerpts from two NAMA submissions to the UNFCCC

<table>
<thead>
<tr>
<th>Indonesia</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Target 26% GHG reduction by 2020</td>
<td>» Zero net deforestation of primary or natural forests;</td>
</tr>
<tr>
<td>» Sustainable peat land management;</td>
<td>» Modification of current energy grid for 33% renewable energy mix by 2020;</td>
</tr>
<tr>
<td>» Reduced deforestation and land degradation;</td>
<td>» Design and implementation of solid waste management measures.</td>
</tr>
<tr>
<td>» Carbon sequestration projects in forestry and agriculture;</td>
<td></td>
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</tbody>
</table>
How to get started on NAMA development:

Despite the uncertainties surrounding the scope and definition of NAMAs, a few key features for the formulation of good NAMAs are suggested below:

**Success Factors: Does the NAMA proposal …**

- … emerge from a country-driven, participatory and bottom-up stakeholder process?
- … fit into existing LEDS or national development and/or climate strategies?
- … reduce GHGs in the short or long-term?
- … suggest tools for different types of interventions, e.g. legal/policy frameworks, regulatory, economic incentives, technology assessments?
- … articulate the financing, technology and capacity building support needs?
- … include a proposed MRV framework?
- … leverage private investments?
- … have sustainable development benefits, e.g. contribute to MDGs or pro-growth-goals?
- … include a detailed plan for implementation?

Examples of NAMA development underway:

- **Mexico**: building, transport and SME-sectors
- **Indonesia**: peat land, forests, agriculture, energy efficiency, renewable energies, waste, transport sectors
- **Tunisia**: solar plan & public waste management
- **Chile**: transport sector

How GIZ, on behalf of the federal ministries BMZ and BMU, supports NAMA development:

- **Institutional Support**: establishment of NAMA offices (e.g. Mexico, Indonesia)
- **Capacity Building**: NAMA training
- **Strategy and Analysis**: developing LEDS, cost-benefit analyses and market research
- **Information Management and Networking**: data gathering, baseline setting; organisation of participatory processes and dialogues; facilitation of info sharing, lessons learned; peer-to-peer learning; networking.

With regard to financing mitigation actions, national governments, as opposed to the private sector in the case of CDM, are likely to initiate NAMAs, and the financing for the development and implementation of NAMAs will likely come from domestic resources, as well as through bi-lateral agreements, development banks or multi-lateral funds, including the Green Climate Fund. Public finance will need to be used strategically to leverage investment from the private sector.

The open and flexible nature of the NAMA has given rise to three finance-sourcing typologies, which are outlined below, including the expectations for monitoring, reporting and verifying (MRV) the results of the NAMA:

<table>
<thead>
<tr>
<th>Unilateral</th>
<th>Supported</th>
<th>Credited</th>
</tr>
</thead>
<tbody>
<tr>
<td>» To be financed domestically</td>
<td>» To receive international support (finance, technology and/or capacity building)</td>
<td>» To receive private sector funding that results in carbon credits</td>
</tr>
<tr>
<td>» Domestic MRV in accordance with guidelines developed under the climate convention</td>
<td>» MRV according to international guidelines developed under the climate convention</td>
<td>» MRV likely to draw upon experience with CDM</td>
</tr>
</tbody>
</table>

What is the potential of NAMAs?

While the CDM expects to reduce 5,771 Mt CO$_2$eq (2013-2020) (CDM Pipeline 2011), NAMAs aim to achieve the recommendation set forth by the IPCC to reduce GHG emissions by 15-30\% from BAU by 2020. Such a reduction would result in more than 40,000 Mt CO$_2$eq being avoided or removed by 2020 (cp. GIZ TRANSfer 2011).

Potential sectors with high mitigation potential are energy, transport, buildings, industry, forests, agriculture, and waste (IPCC 2007).