



## Definitions of 'Appropriate' and 'Transformational'

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# Definitions of ‘appropriate’ and ‘transformational’

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NAMAcademy: ‘Political NAMA Processes’

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# Outline

- Definitions of ‘appropriate’ mitigation actions
- NAMAs in the context of national development
- The 'CDM SD tool' – learning from CDM experience
- An integrated approach to SD assessment
- The SD tool applied to NAMAs
- *Exercise:* Defining ‘transformational’ change – stakeholder perspectives

# Definitions of ‘appropriate’ mitigation actions

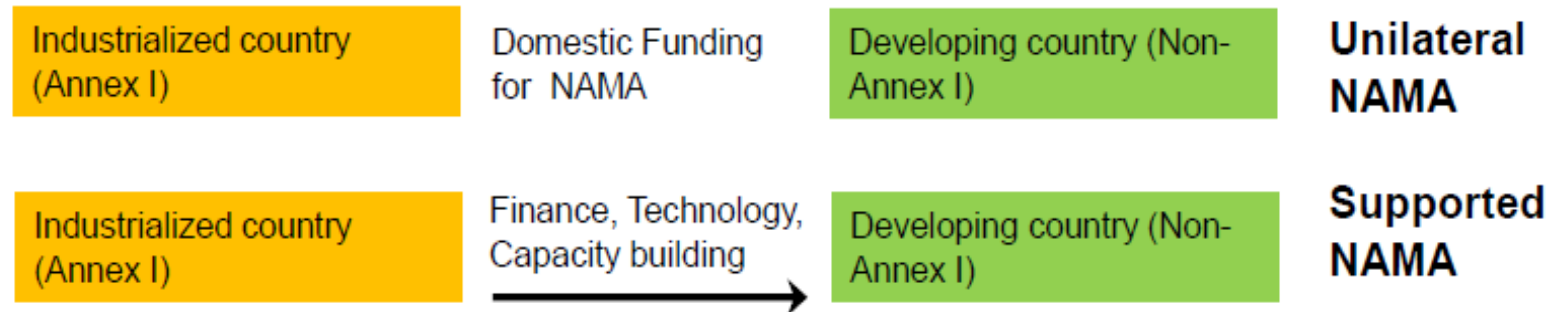
## NAMAs – according to the Bali Action Plan

*“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”*

Note: To achieve the 2 degree target globally, both developed and developing countries need to take action

# What is a NAMA?

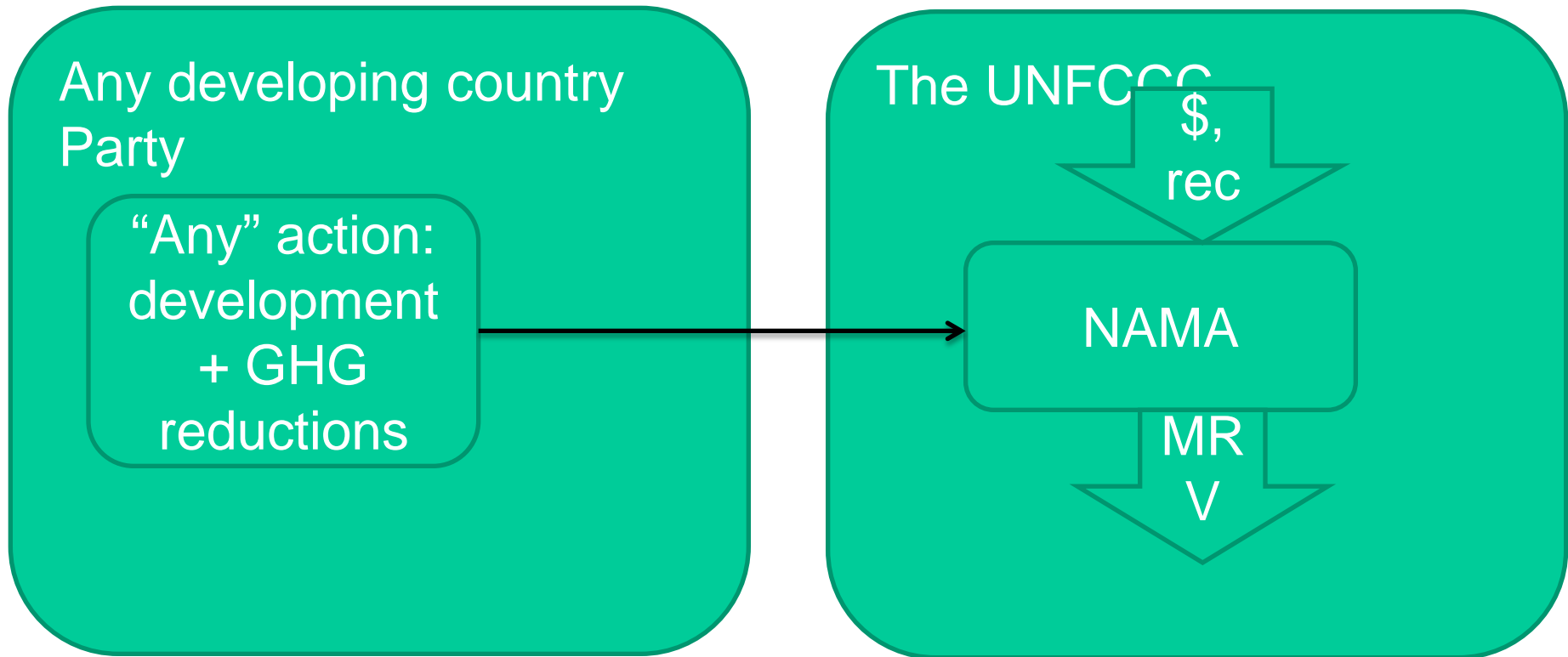
No internationally agreed upon definition exists; however **2 categories** have emerged:



At a later stage, carbon markets may also be a mechanism in the long run to attract resources for NAMAs. The role of carbon markets in financing NAMAs is under discussion among various stakeholders and includes the concept of **credited NAMAs**. However, this concept is neither used in any of the official documents nor has it yet been formally established.

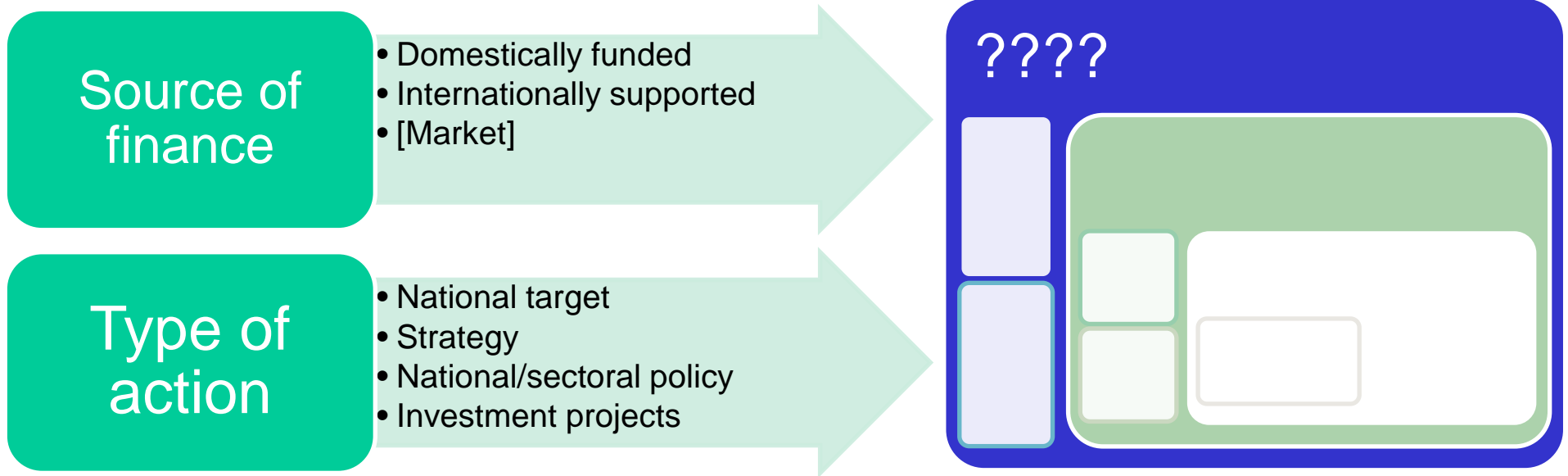
Source: GIZ NAMA Tool, 2013

# In practice: a tag



Source: NAMA Partnership webinar, 22 May

# Typologies



Source: NAMA Partnership webinar, 22 May



# NAMAs in the context of national development

# NAMAs and sustainable development

Framework	SD objectives
<b>CDM</b>	Assist non-Annex I countries with the achievement of sustainable development
<b>LCDS</b>	A low-carbon development strategy is indispensable to SD
<b>NAMAs</b>	NAMAs shall contribute to SD
<b>REDD+</b>	Non-carbon benefits or co-benefits of REDD+ activities is the terminology for positive SD impacts benefitting local communities and indigenous people
<b>NMM</b>	A possible element of the NMM is to promote SD
<b>FVA</b>	There are no decisions, nor guidance on the framework's relationship to SD

## Towards SD assessment of mitigation actions

- *Development benefits* beyond GHG reductions are the driving force for most host countries' mitigation actions
- New approaches and more robust data collection methods are needed for the assessment of SD impacts – CDM experience is a good starting point for integrating with domestic M&E frameworks to enable mainstreaming into national MRV

Finding the right balance between flexibility and standardization to enable a high level of social and environmental integrity for SD is a challenge

# The CDM SD Tool

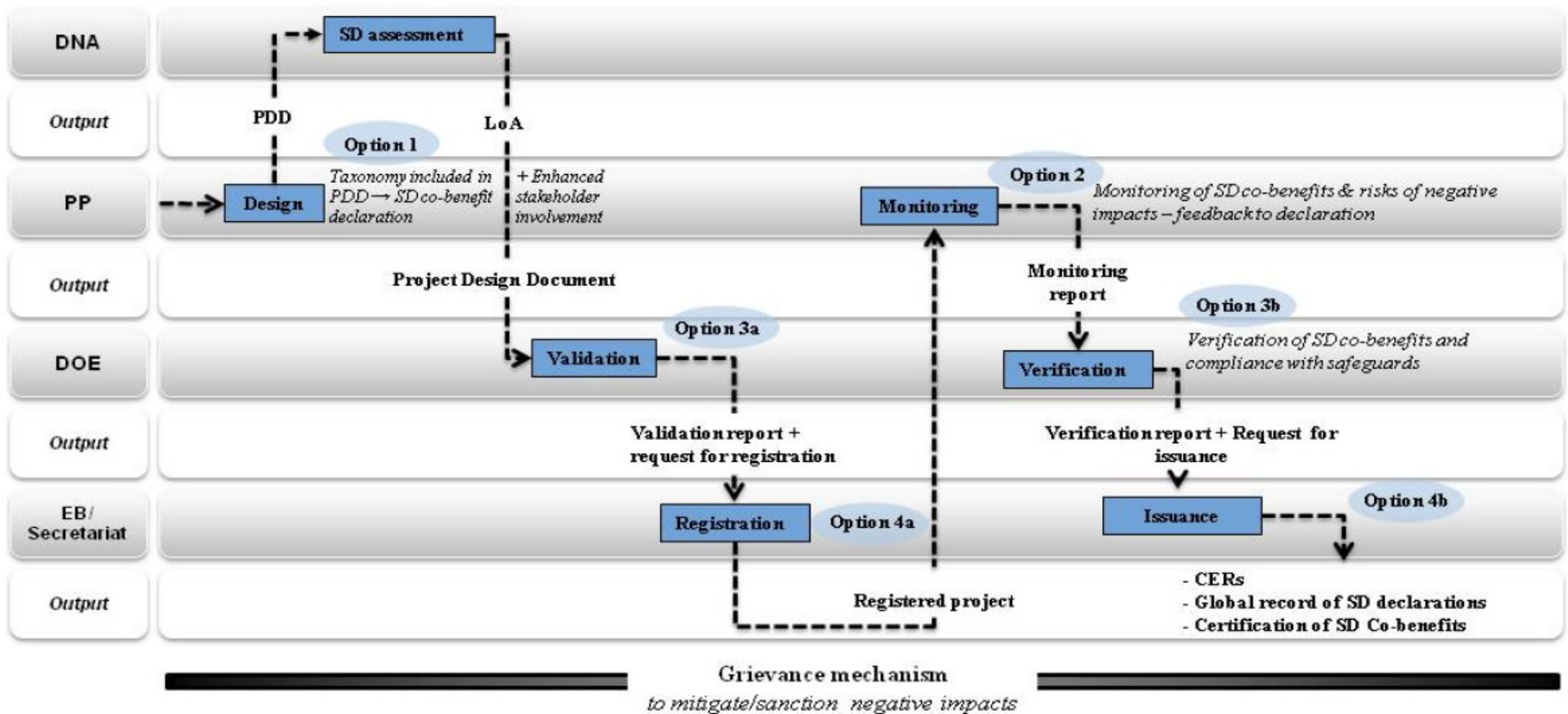
# Challenges to assess the CDM's SD contribution

- In the absence of an international acceptable definition of SD, the benefits cannot be known, nor monitored and are not monetized in the carbon market, except for voluntary standards like the GS & CCB.
- Two main findings of a literature review (Olsen 2005) on how the CDM contributes to SD are that: 1) Left to the market forces the CDM does not significantly contribute to SD. 2) No methodology exists at global level to assess the total contribution of all CDM projects to SD.
- Challenge: An international standard for SD co-benefit indicators can enable that monitoring and reporting takes place to inform the global carbon market with the aim of directing investments towards maximising the SD benefits.

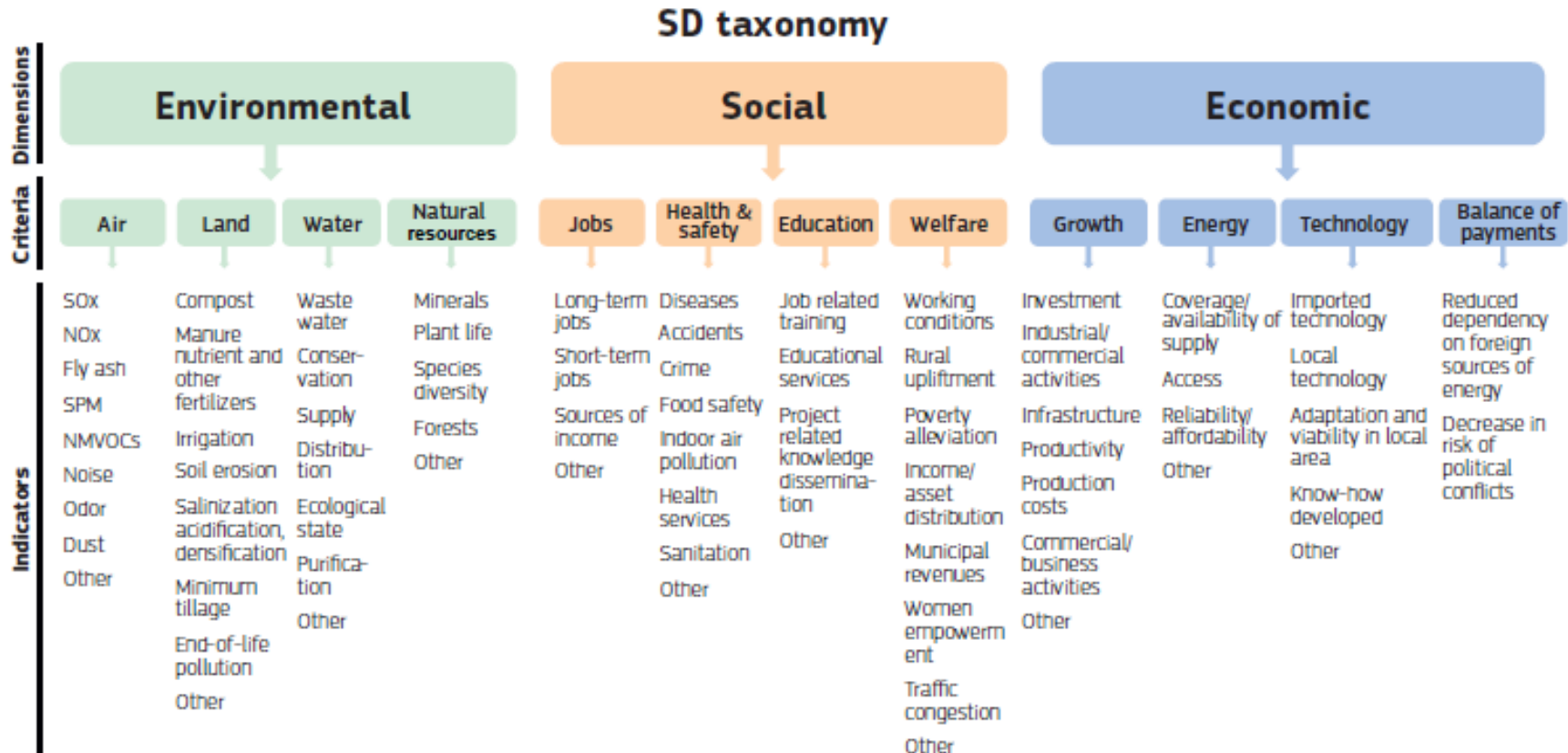
# CDM Executive Board response to SD assessment

- The Board launched at its 61st meeting a Call for public inputs on sustainable development co-benefits and negative impacts of CDM project activities (See EB65 Annex 17 for a summary of submissions).
- At CMP.7 (decision 8/CMP.7), the Parties requested the Board to “continue its work and develop appropriate voluntary measures to highlight the co-benefits brought about by clean development mechanism project activities and programmes of activities, while maintaining the prerogative of Parties to define their sustainable development criteria”.
- At EB67, the Board considered a concept note on highlighting sustainable development co-benefits on a voluntary basis (EB67 Annex 13) – see slide
- At EB68 the Board considered a draft SD tool based on an integrated approach to three elements: 1) SD co-benefits, 2) No harm Safeguards and 3) Stakeholder involvement.
- At EB69 the Board requested the Secretariat to only include positive SD benefits in the SD tool, i.e. to exclude negative impacts & stakeholder involvement
- At EB70 the SD Tool was approved!

# Design options for SD tool – discussed up to EB67



# CDM sustainability assessment



Online SD tool – EB70 draft:

[https://www.research.net/s/SD\\_tool\\_vers7](https://www.research.net/s/SD_tool_vers7)



# Online SD tool – example: air quality

## 6. Does the activity improve air quality in the area?

The activity improves air quality by reducing air pollutants such as SO<sub>x</sub> (sulphur oxides), NO<sub>x</sub> (nitrous oxides), Suspended Particulate Matter (SPM) emissions, Non Methane Volatile Organic Compounds (NMVOCs), fly ash, noise, odour or dust.  
 Reductions in greenhouse gasses are not included, as this defines all CDM projects.  
 Avoided indoor smoke is identified can be declared under "Social health and safety" section.

- Yes (and I wish to specify)
- No (the activity has no direct impact)
- N/A (the question is not relevant)

## Environment – Air – specific indicators

### 7. How and to what extent does the activity improve air quality in the area?

Reducing level/frequency/time of SO<sub>x</sub> (sulphur oxides) emissions?  Highly  Partly  Slightly  N/A  
 Please specify

Reducing level/frequency/time of NO<sub>x</sub> (nitrous oxides) emissions?  Highly  Partly  Slightly  N/A  
 Please specify

Reducing level/frequency/time of fly ash emissions?  Highly  Partly  Slightly  N/A  
 Please specify

# SD declaration report – air benefits

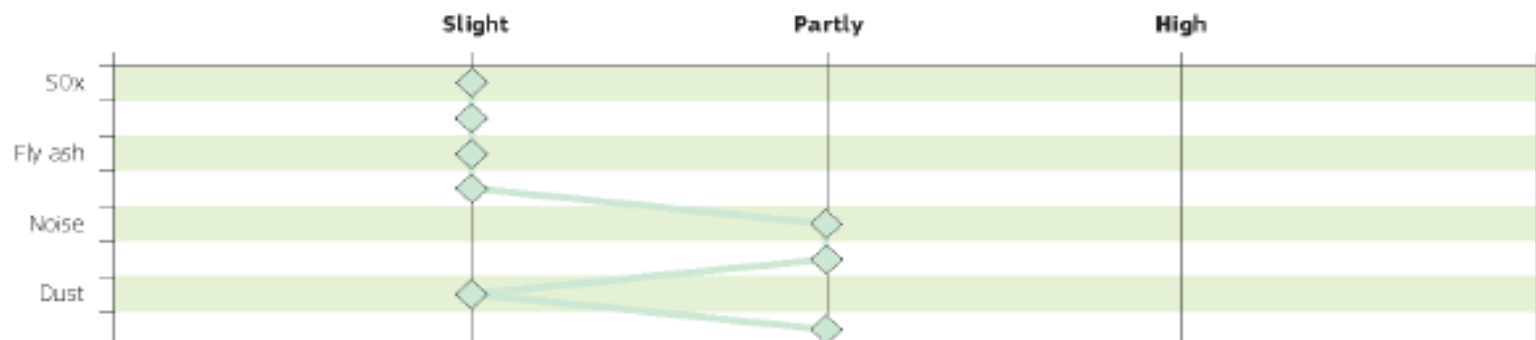
## A. Environmental co-benefits

Water and land co-benefits were declared as N/A, which means the criteria are not relevant to the project.

The programme of activities improves air quality in the area through:

Criteria	Indicators	Specification	Extent
Air	SOx	limited	Slight
	NOx	limited	Slight
	Fly ash	limited	Slight
	Suspended Particulate Matter (SPM)	limited	Slight
	Noise	substituting diesel generators	Partly
	Odours	substituting kerosene lamps	Partly
	Dust	limited, but some dust from wood waste will be reduced	Slightly
	Other air based improvements	Indoor air improved as no kerosene and paraffin lamps	Partly

The extent of the environmental co-benefits:



# SD declaration report – air benefits

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The extent of the environmental co-benefits:



An integrated approach to  
SD assessment of NAMAs

# Three elements of an integrated approach

- SD indicators
- Stakeholder involvement procedures
- Safeguards against negative impacts

# An integrated approach to SD assessment of NAMAs

Action/Project cycles	NAMAs	CDM
National Development Planning	Low Carbon Development Strategy (LCDS) <b>Identify SD objectives to which NAMAs contribute</b>	-
Design of action/project	No format requirements <b>Include indicators/metrics for SD benefits in the design format and conduct stakeholder involvement and safeguards for no-harm-done</b>	Project Design Document (PDD)
National Approval	Officially Designated Entity (ODE) submit NAMAs to Registry: seek support for preparation, seek support for implementation or for recognition (unilateral)	Designated National Authority (DNA) issues Letter of Approval (LoA) for SD contribution
Validation/Registration	-	Designated Operational Entity (DOE) and Executive Board (EB)/ Registry
Financing	Supported NAMAs: bilateral, multilateral, private sector, Green Climate Fund, Foreign Direct Investment (FDI) and carbon markets. A mix of sources is possible. Unilateral NAMAs: domestic finance <b>Explicit SD and climate benefits can help inform investors to get the most benefits for their money</b>	Investors
Implementation	NAMA developer	Project owner/Coordinating Managing Entity (CME) for Programmes of Activities (PoAs)
Monitoring	Ditto <b>SD indicators to be monitored</b> along with other action & GHG metrics as specified in the BUR guidelines (see below)	Ditto
Reporting and Verification	International Consultation and Analysis (ICA) of Biennial Update Report (BUR) BURs include reporting on methodologies and assumptions, <b>SD objectives</b> and steps, progress, results, estimated GHG reductions and information about international market mechanisms. There are no requirements for MRV of individual NAMAs	Designated Operational Entity (DOE)
Issuance of CERs/units of GHG reductions	Possible links to NMMs and FVA for crediting of NAMAS <b>Units of GHG reductions to be certified for their SD co-benefits</b>	Executive Board (EB)/Registry

# Five stages in an integrated approach

1. Identify national SD objectives in the context of national development planning priorities and low carbon development strategies,
2. Design of NAMAs including SD indicators, stakeholder involvement procedures and safeguards against negative impacts,
3. Financing of NAMAs to be informed by SD impacts,
4. Monitoring, reporting and verification of an integrated approach and
5. Certification of possible crediting of NAMAs' SD impacts to be traded under a new market mechanism or a framework for various approaches.

# The SD Tool applied to NAMAs



# SD benefits in NAMAs submitted to the registry

NAMA	Environmental	Social	Economical	Institutional	Transformational
<b>Chile:</b> <b>Implementation of a National Forestry and Climate Change Strategy</b> <i>(support for implementation)</i>	Forest management  Biodiversity  Afforestation  Restoration of natural forests  Generation of environmental assets	Gender equality	Economic alternative for owners of degraded land  Access to participate in the forestry business and in carbon markets	Improvements in land titling processes  Sub-national reference levels and MRV systems to include indicators related to adaptation  Platform for the Generation and Trading of Forest Carbon Credits  Social and environmental safeguards are fully considered	
<b>Uruguay:</b> <b>First introduction of Photovoltaic Solar Energy in the national electrical grid</b> <i>(support for implementation)</i>		Testing laboratories  Training professionals	Strengthen the assembly and maintenance of the national solar network	Conditions for holding a competitive process for the incorporation of new plants by private companies  Capacity building support in the regulator organism and the Public Electric Utility  Technical regulatory framework for this resource	Goal to have at least 50% of the national energy supply mix based on renewable sources  At least 90% of the electrical grid supported by renewable sources

# Exercise: Defining transformational change

# NAMA Facility 'definition'

Eight questions to describe the transformational potential of NAMAs:

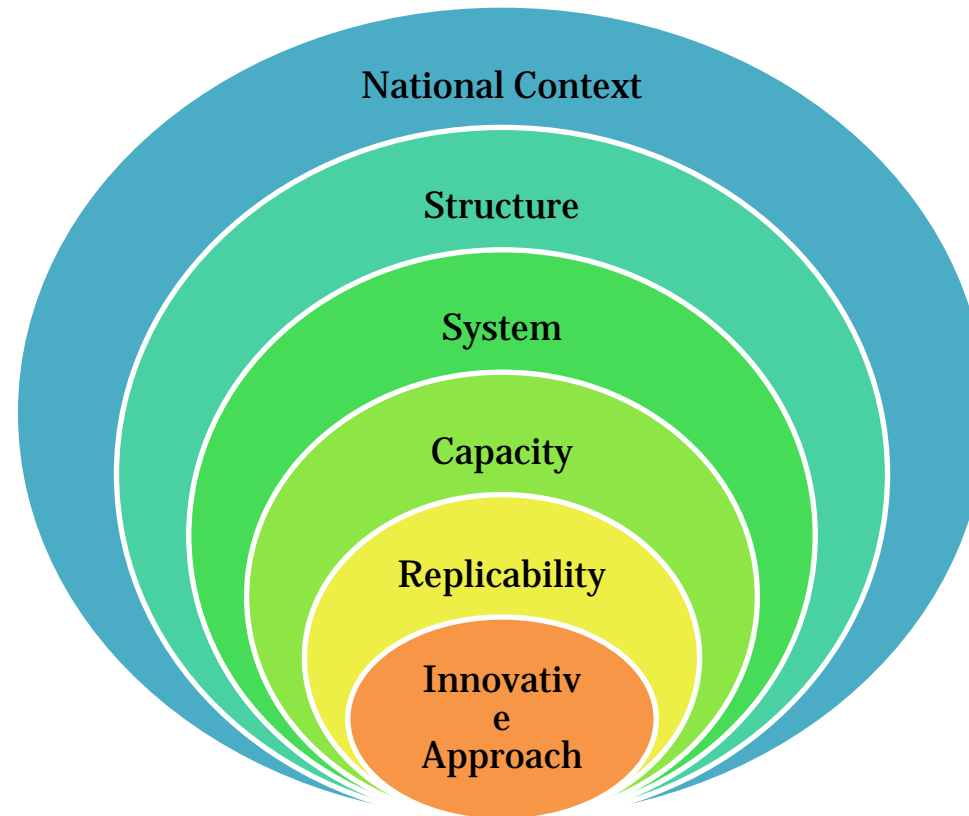
1. Links with sectoral or national policy targets
2. NAMAs' contribution to sectoral mitigation activities
3. Structural changes and overcoming systemic barriers
4. Development of capacities for LCD beyond the project boundaries
5. The replicability of actions/project to other regions or countries
6. Strengthening of national systems
7. An innovative approach for emission reductions
8. Participation of private sector

# Green Climate Fund and Transformational Change

- The GCF has a mandate to facilitate transformational change for LCD
- Working definition:
 

*“Transforming production processes and consumption patterns, enhancing institutional capabilities and adopting planning processes to enable low-emission (mitigation) and climate resilient development (adaptation) pathways”* (Source: Workshop on the role of the Green Climate Fund in fostering transformational change and engaging the private sector and civil society, 11 September 2011, Geneva, Switzerland)
- Key elements driving transformational change:
  1. Policy Frameworks – paradigm shift to LCD and SD at national level
  2. Economic, Technological and Infrastructure – new growth models & TT
  3. Behavioural change – institutional, PPP, transparency and accountability

# At what level should transformational change be assessed?



# Stakeholder perspectives:

- Annex 1 countries: Bilateral donors
- Non-Annex 1 countries: Brazil, Chile, Columbia and Peru
- Multilateral donors
- International institutions

# Exercise:

- Split into two groups
- Read the interview summaries representing different perspectives on what defines ‘transformational change’

## Steps:

1. Identify commonalities
2. Identify divergences
3. Suggest your own definition of ‘transformational change’ and present it to the NAMAcademy