Accounting for Project Based Mechanisms within the NAMAs of the Developing Countries

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Background

1. Some NAMAs in the form of aggregate emissions limitation
2. Great contribution of project-based mechanisms to lower GHG emissions in some developing countries
3. Importance of the accounting of emission reductions from CDM or other project-based mechanisms

Accounting of GHG Emissions in Developing Countries after 2012

1. No clear accounting rules of GHG emissions for the purpose of assessing the effects of mitigation actions
2. Four categories of NAMAs in accordance with the related conditions or contexts

Accounting of GHG Emissions in Developing Countries after 2012

Category	Conditions and/or Context	Example
1	no condition or context	Korea: reduce national GHG emissions by 30% from the BAU emissions by 2020
2	with conditions and submitted in specific contexts	China, India, South Africa, Argentina, etc. India: reduce GDP emissions intensity by 20-25% by 2020 in comparison to the 2005 level. •voluntary in nature •not legally binding •relevant national legislations and policies •principles and provisions of the UNFCCC, particularly Article 4.7

Accounting of GHG Emissions in Developing Countries after 2012

Category	Conditions and/or Context	Example
3	with conditions and with a clear reference to CDM	Brazil, Peru and Gabon, etc. Peru: • voluntary in nature • principles and provisions of the Convention, especially Articles 4.1, 4.7, etc. • the use of the CDM or other market-based mechanisms not excluded
4	with conditions for some actions and no conditions for some others	Colombia: three categories: (a) Unilateral actions: using its own resources and not require any international or market-based funding (b) actions with financial support (c) Actions related to carbon markets

Contribution of emission reductions achieved by CDM projects

1. Additionality requirement: critical incentives from the transaction of CERs
2. Huge investments in the CDM projects by the host countries
3. Benefits related to post-2012 credits not secured
4. Joint efforts of the developing and developed countries

Consideration of the ERs in the NAMAs

1. Sole domestic efforts: exclusion
2. Reference to the CDM: consistency
3. Assistance case: definition of assistance
   a. Board definition: no exclusion
   b. Narrow definition: exclusion in case of transfer
4. No mention case: exclusion in case of transfer of CERs to developed countries

Consideration of the ERs in the NAMAs

1. Most pledges of the developing countries for year 2020, not a certain period of time
2. Only credits of that year matters?
3. Avoidance of double counting
   a. Financial commitments vs offsets
   b. Duplicated assistance for the same amount of emission reductions

Possible continued crediting of projects in developing countries

1. In case of conditional NAMAs, no contradiction
2. In case of exclusion of CDM, crediting should cease, with details to be worked out
3. In case of NAMAs with no conditions, continued crediting until the end of the crediting period
4. Avoidance of double counting: registry at the international level
5. Division of financial flows into assistance and offset generation purposes: at discretion of the countries providing finance

Thank you