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NAMAs and INDCs

Interactions and opportunities

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Editors: Lachlan Cameron, Natalie Harms (ECN)

Authors: Energy research Centre of the Netherlands (ECN): Lachlan Cameron, Natalie Harms, Xander van Tilburg
Ecofys: Ann Gardiner
Centre for Climate Science and Policy Research (CSPR): Mathias Fridahl
Center for Clean Air Policy (CCAP): Stacey Davis, Hannah Pitt – chapter "Financing NAMAs and INDCs"
GIZ: Heiner von Luepke, Lisa Herrmann, Inga Zachow – chapter "Stakeholder engagement"
NewClimate Institute: Thomas Day, Frauke Röser – chapter "Assessing impacts and benefits"
WRI: Kelly Levin – chapter "Measurement, Reporting and Verification (MRV)"
UNDP: James Vener – chapter "Institutional frameworks"

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All views expressed in this article are those of the authors and do not necessarily represent the views of those acknowledged here for their review and input.

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This report is prepared and published as part of the MitigationMomentum project, a collaboration between ECN and Ecofys. The project aims to support the development of Nationally Appropriate Mitigation Actions (NAMAs) by contributing to the concrete development of NAMA proposals, and foster cooperation and knowledge exchange within the NAMA community.

The project is part of the International Climate Initiative (ICI) of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

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Executive Summary

Countries representing more than 90 percent of global greenhouse gas emissions and population have submitted intended nationally determined contributions (INDCs) in anticipation of the 21st COP in Paris. In parallel, developing countries are designing at least 152 nationally appropriate mitigation actions (NAMAs) and 13 have secured implementation funding. Connecting these two concepts, more than a third of developing countries communicate a role for NAMAs in their INDCs.

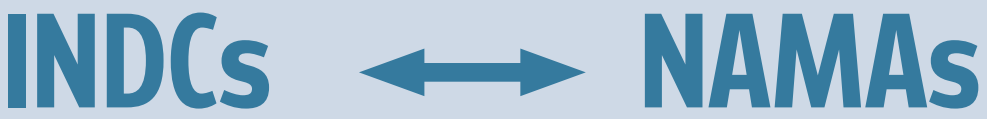
It is therefore vital to understand the potential role of NAMAs (here understood as specific actions) with respect to INDCs (which are often broader targets) and vice versa. This paper explores the links between NAMAs and INDCs with regard to various elements central to their implementation, including: access to finance; stakeholder engagement; sustainable development impacts; measurement, reporting and verification (MRV); and institutional frameworks.

To avoid delaying mitigation action any further, it is important to keep momentum behind NAMAs. They represent one of the few tools at our disposal for countries to undertake mitigation actions, be recognised for these efforts, and mobilise climate finance and investment. The skills and learning on NAMA development can be seen more fundamentally as capacity for the design of bottom-up actions. Attention should be paid now to ensure that this capacity is maintained in the future. To do this, continued attention must be paid to NAMAs in Paris, as a key implementation tool for INDCs and, therefore, a key element of the success of a new global climate agreement.

Key messages

- For many countries, NAMAs will be an important tool in implementing a Paris agreement.
- INDCs and NAMAs can and should be linked to: help countries make progress towards meeting their post-2020 targets; access international support and catalyse private investment; engage stakeholders; assess and emphasise co-benefits; conduct MRV; and build an integrated cross-sectoral institutional framework to bridge the gap between ambition and action.
- The national and highly visible nature of INDCs has the potential to increase domestic buy-in for sectoral action plans and individual bottom-up measures, including NAMAs.
- We expect (and encourage) more emphasis on domestic NAMAs as countries seek recognition for their efforts to achieve their INDCs.
- Governments need to take a leading role in NAMA implementation to achieve the mitigation targets in their INDCs.

What do INDCs and NAMAs offer each other?



PURPOSE AND HIGH-LEVEL SUPPORT

Offer an overarching target for all ministries and agencies to strive towards, along with high-level commitment from government (partly through international scrutiny). This can help to build support for bottom-up actions and sectoral strategies.

A SENSE OF URGENCY

Countries have been encouraged to communicate their INDCs prior to the December 2015 climate negotiations, along with information about the timeframe for implementation. This can help to catalyse national planning processes and set deadlines for mitigation efforts.

FRAMEWORK FOR PRIORITISATION

Provide countries with an opportunity to look at options across sectors and evaluate them in terms of a variety of dimensions, including aspects such as mitigation potentials, costs and national impacts. This can give countries a consistent framework for determining "which NAMAs to prioritise"

BROADENING THE NAMA CONCEPT

Ambition in INDCs may act as a trigger for countries to apply the concept of NAMAs to more than supported actions and broaden the focus to domestic actions to receive recognition.

LONGER TIME HORIZON

Provide a longer-term timeframe and guiding vision for national climate action beyond 2020. This can help to provide a more stable and predictable environment for NAMA implementation and finance.

IMPLEMENTATION TOOL

The main opportunity for NAMAs is for them to directly serve as an implementation tool for INDCs to achieve mitigation targets; a practical mechanism to materialise the contributions on the ground and bridge the gap between ambition and action.

INPUTS FOR INDC DEVELOPMENT

Have provided valuable information on mitigation potentials, measures to achieve emissions reductions, costs/savings and other aspects. Action-based INDCs can build on existing NAMAs by aggregating their impacts.

SCALING

Can provide an approach to scale up, expand and deepen isolated domestic mitigation action in order to achieve commitments.

INTERIM TARGETS

Provide short-to-medium term targets and a measurable roadmap toward reaching a longer-term vision spelled out in an INDC, thereby providing a more stable and predictable environment for concerted action.

Financing NAMAs and INDCs

- Many countries will seek financial support for achieving the ambition in their INDCs. Supported NAMAs offer a channel for accessing international finance, including the Green Climate Fund (GCF), and attracting private sector investment.
- NAMAs can help developing countries distinguish between unilateral and supported measures and identify needed levels of international support, including for the implementation of conditional INDC targets.
- Well-designed NAMAs promote ambitious national programmes that are well suited to take advantage of climate finance while delivering benefits for implementing countries.

- There is no need to wait. Some countries have already begun and others can begin to consider how NAMAs can be a driving mechanism toward meeting their post-2020 targets, access international support, and mobilise domestic resources

Stakeholder engagement

- Stakeholder involvement in NAMA and INDC design and implementation can build legitimacy and gain trust. It also provides access to information relating to mitigation potential and the feasibility for implementation through different measures and support.
- Stakeholder engagement should develop a basis for trust to work towards common goals and foster good examples, but the process should also expect learning, and allow for a certain degree of failure.
- Stakeholder involvement should be deliberately designed to ensure the format fits with the roles you want the stakeholders to play and the purpose of the dialogue.
- Sectoral NAMA approaches can raise the level of collaboration with high emitting sectors, attract investment in low carbon technologies, and raise awareness of business opportunities.

NAMAs, INDCs and (co-)benefits

- Potential sustainable development benefits have been and remain a key driver for countries to engage in the development of NAMAs and INDCs.
- A thorough understanding and appreciation of the impacts can ensure the project or programme is designed in a way that maximises potential synergies with national development strategies.
- Highlighting the positive impacts of NAMAs can make NAMA proposals more attractive to a wider range of prospective funders, for example agencies or groups that might not normally prioritise climate mitigation.
- Robust INDCs should be the result of a process that generates domestic cross-sectoral buy-in by showing how the proposed contribution connects with various stakeholders' priorities. However, the domestic benefits of high level mitigation ambition can be challenging to adequately demonstrate at the national or economy-wide level. Assessing the impacts of individual NAMAs is an opportunity to illustrate benefits for a domestic audience in a way that connects with their priorities.

Measuring, Reporting and Verification (MRV)

- Capacity has been built and systems put in place in a number of countries for the MRV of NAMAs. These can have important benefits for the eventual assessment of progress on achieving INDCs, in particular, for assessing the level of mitigation achieved by certain interventions relative to a baseline emissions scenario.
- Previously collected data used in developing NAMAs can help serve as the underlying information and analysis for INDC development and planning, helping countries identify the greatest emitting sectors and sources, as well as mitigation opportunities.
- Institutional arrangements, accounting methods, and reporting platforms for NAMAs can be built upon for INDCs.

Institutional frameworks for NAMAs and INDCs

- Strengthening and harmonising institutions to streamline coordination should be a key area of focus when establishing mitigation strategies. Climate change should not be considered a 'fringe' topic, under the charge of a single line ministry, but rather a cross-ministerial mandate inherent to national and sectoral development plans with appropriate budget allocations.
- The institutional and individual capacities that have been built and the knowledge acquired in NAMA development serve as a good foundation for preparing and implementing INDCs.
- INDCs offer the opportunity to connect mitigation ambition to sectoral action, including NAMAs, in line with domestic priorities and drivers. Implementing INDCs could therefore enhance coordination and transparency at the national and sub-national level on climate policy.

Introduction

As the impacts of climate change start to be felt around the globe, the need for collective action to reduce GHG emissions has reached an unprecedented level of urgency. At the 21st COP of the UNFCCC in 2015, countries must agree on a global climate change agreement that spells out shared commitments and concrete steps for action. Intended Nationally Determined Contributions (INDCs) submitted by nearly all Parties will lay the foundation for an agreement in Paris that can put the world on track to reduce emissions, strengthen economies and eradicate poverty.

The success of the Paris agreement will heavily depend on two key questions[1]:

i. **Ambition:** what do countries propose to do through their contributions (INDCs)?
ii. **Action:** how do we achieve what countries propose?

This paper is concerned with the link between these two questions. In developing countries and emerging economies, a key implementing tool for the Paris agreement will be government-led efforts that are in line with sustainable development ambitions and can receive capacity building, technology and financial support while reducing GHG emissions. Such actions have been developed for a number of years under the label of Nationally Appropriate Mitigation Actions (NAMAs).

At least 152 NAMAs are under development and 13 have secured implementation funding at the time of writing[2]. They represent one of the few tools at our disposal for countries to undertake mitigation actions, be recognised for these efforts, and mobilise climate finance and investment. In acknowledgement of this, more than a third of developing countries communicate a role for NAMAs in their INDCs (Figure 2).

It is therefore important to understand the potential role of NAMAs (representing specific actions) with respect to INDCs (which are often broader targets) and vice versa[3]. This paper explores the links between NAMAs and INDCs with regard to various elements central to their implementation, including: access to finance; stakeholder engagement; sustainable development impacts; measurement, reporting and verification (MRV); and institutional frameworks.

[1] Marcu (2014) The Framework for Various Approaches and the New Market Mechanism, Centre from European Policy Studies (CEPS), October
[2] Ecofys/ECN (2015) 2015 Status Report on NAMAs, MitigationMomentum, November, www.mitigationmomentum.org
[3] These are basic working definitions of NAMAs and INDCs that are used throughout the paper, while recognizing that NAMAs have at times been seen as targets and INDCs could be actions. These ideas are further elaborated in the following chapters.

NAMAs: a recap

The meaning of the term NAMA has evolved since the initial discussions and submissions following COP 13 in 2007. Signed into life through the Bali Action Plan, NAMAs were broadly described as voluntary actions by developing countries in the context of sustainable development, supported by technology transfer, financing and capacity building, implemented in a measurable, reportable and verifiable manner.

The initial submissions from 57 countries over the three years following COP 15 did little to narrow the definition of NAMAs. Those submissions were a mixture of pledges and actions in a variety of formats and with differing levels of detail. These early submissions are referred to by the UNFCCC as so-called 'National Level' NAMAs; Parties declaring their intent to mitigate GHG emissions in a manner commensurate with their capacity and in line with their national development goals. This broad national definition of NAMAs has fallen out of favour in recent years. However, many of those original national level submissions could be seen as early precursors of INDCs, with their sectoral or economy wide targets and/or lists of proposed actions.

Instead, we now typically talk of NAMAs as individual actions, or perhaps groups of measures around a single action. NAMAs are still diverse, ranging from project-based mitigation actions to sectoral programmes or policies, but are clearly more discrete than the original concept. These are the NAMAs that are submitted to the UNFCCC NAMA Registry, or to the NAMA Facility[4] for support. This definition, of individual NAMAs, has become commonly accepted and is most useful to think about with regards to INDCs.

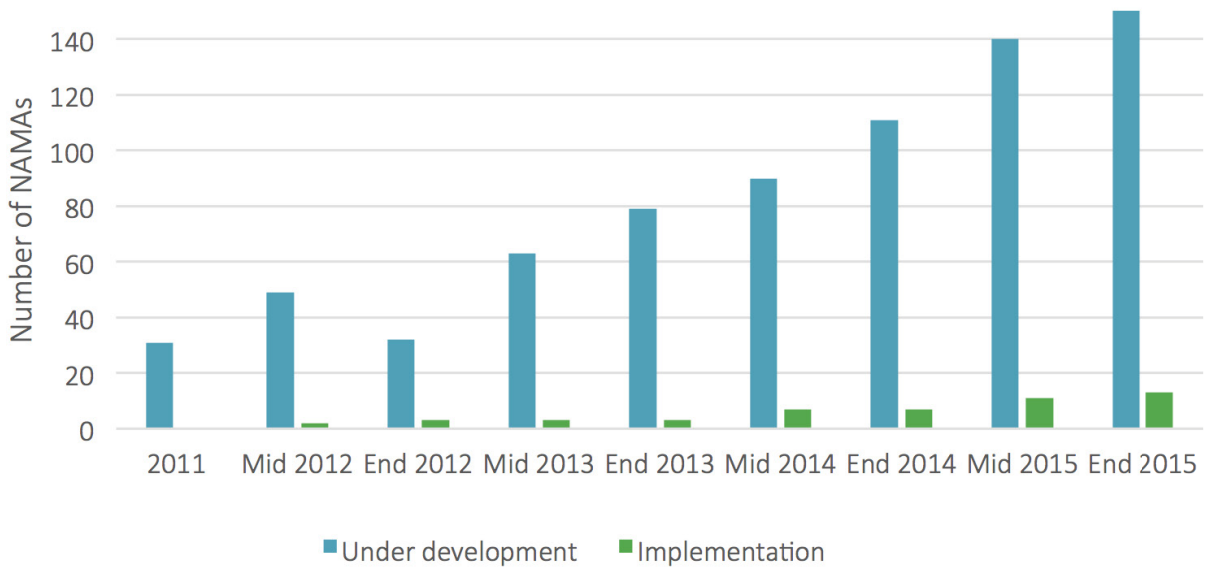


Figure 1: Status of NAMAs[5]

4 The NAMA Facility is a joint fund of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), the Department of Energy and Climate Change (DECC) of the United Kingdom (UK), the Danish Ministry of Climate, Energy and Building (MCEB) and the European Commission that supports the implementation of selected NAMAs.

5 Ecofys/ECN (2015) 2015 Status Report on NAMAs, MitigationMomentum, November, www.mitigationmomentum.org

The concept of NAMAs as specific actions has also evolved in practice in two main ways. First, in regards to the level of ownership by government and their central role in implementation. NAMAs listed with the UNFCCC Registry are mostly government-led interventions with national implementing organisations that are typically ministries or other public agencies. In many cases the NAMAs stress the role of government as a catalyst for private investment, sometimes with an additional emphasis on the concept of transformational change. These are goals that are fostered by some sources of support, such as the NAMA Facility, as well as the guidance and publications produced by many practitioners, such as the NAMA Status Reports[6].

Second, a focus on supported NAMAs has emerged out of the efforts of many countries and development organisations. We observe a tendency for the design of, and discussion around, NAMAs to focus on the need for international support. The idea of developing domestic efforts as NAMAs has been somewhat lost and, arguably, the added value of such an approach may not be clear to countries[7]. However, INDCs may provide an impetus for countries to seek more formal recognition for their domestic mitigation actions. As discussed later, NAMAs offer a clear means to achieve this recognition.

NAMA development is often approached opportunistically, without a clear strategy for the economy or sector. This can be due to limited resources and capacity, a lack of an existing overarching framework to operate under, but can also be influenced by development partner priorities and programmes. Countries are observed to make pragmatic choices that align with existing climate change and development priorities as well as donor objectives. However, we also observe that NAMAs are able to focus on areas where previous approaches, such as the Clean Development Mechanism (CDM), were less effective or attractive (e.g. in transport). Their flexible nature and resulting breadth in terms of types of action as well as the explicit incorporation of co-benefits can therefore been seen as a positive feature of NAMAs that sets them apart from 'simple' mitigation measures. Additionally, the central role of government in developing NAMAs has meant that countries that have engaged with NAMA development have built valuable institutional awareness and capacity. They have also often considered opportunities for government policies and international finance to help overcome barriers to low carbon investments. This, too, is different from the approach used in the CDM.

This then is the status today: at least 165 NAMAs under development or implementation, with a large and growing community of domestic stakeholders and international experts with experience in the design of government-led mitigation actions. Furthermore, NAMAs are the only tried and tested approach for bottom-up action currently available in the new climate regime. NAMAs provide a flexible tool to achieve low-carbon development pathways and will continue to evolve and persevere on the international climate negotiation stage. Despite the obvious value of the NAMA concept, there is an important open question of how NAMAs should be anchored in a 2015 climate agreement beyond 2020. Understanding links with INDCs is a first step in answering this.

6 NAMA Status Reports are prepared and published as part of the MitigationMomentum project, a collaboration between ECN Policy Studies and Ecofys Germany. The project aims to support the development of Nationally Appropriate Mitigation Actions (NAMAs) by contributing to the concrete development of NAMA proposals, and foster cooperation and knowledge exchange within the NAMA community and is part of the International Climate Initiative (IKI). The reports give a comprehensive review of the state of play of NAMAs including a discussion of key emerging topics, based on a collaborative effort of various organisations active in the NAMA space. All reports are available online at: http://www.mitigationmomentum.org/publications.html

7 Contributing to this has been a stance at the negotiations by a number of countries not to formally engage with the label of 'NAMAs', often while maintaining large programmes of low-carbon actions domestically.

INDCs: an introduction

During previous climate negotiations, countries agreed to publicly outline what level of mitigation ambition they intend to offer under a global agreement. These indications of ambition are known as Intended Nationally Determined Contributions (INDCs). The submitted INDCs, along with an expected approach to increase ambition in the coming years, will largely determine whether the world achieves a successful agreement in 2015 for a post-2020 climate regime, putting it on a path toward a low-carbon future. A country's INDC should signal to the world that they are doing their part to combat climate change and limit future climate risks[8]. To date 168 countries representing over 90% of global greenhouse gases have submitted INDCs[9].

The 2014 Lima Call for Climate Action proposed some basic information to be included in INDC submissions. The document left a lot of room for countries to set their own priorities, but emphasised that contributions "will represent a progression beyond the current undertaking" of that country[10]. The actual level of ambition is left to each country to determine themselves, with the hope that these efforts, when aggregated, will be sufficient to tackle climate change globally (or at least mark a turning point for a joint commitment toward global action).

The final form of submitted INDCs varies, with countries variously choosing to offer absolute GHG targets, reductions below some type of reference level, non-GHG objectives (such as renewable energy targets), or specific projects and policies. Some countries also address other issues, such as adaptation priorities, and the level of support needed or to be provided internationally. The upfront information in the Lima Call for Climate Action does not ask countries to explicitly link their INDC to individual bottom-up actions, but does seek information on planning processes and assumptions.

It is clear, however, that many countries see NAMAs as a tool for achieving their climate ambition. As introduced earlier, more than a third of developing countries communicate a role for NAMAs in their INDCs (Figure 2). NAMAs seem to play a more prominent role for low income countries - where the need for support is higher or which are more likely to have submitted action-based INDCs - but is not insignificant to middle and high income developing countries[11]. Another indication of developing countries' plans for NAMAs beyond 2020 can be found in the NAMA Registry. Of all registered NAMAs that seek support for implementation and have stated timeframes, almost 40 percent have estimated completion dates extending beyond 2020. In this instance, the registered NAMAs seeking support for implementation predominantly originate from middle and high income developing countries.

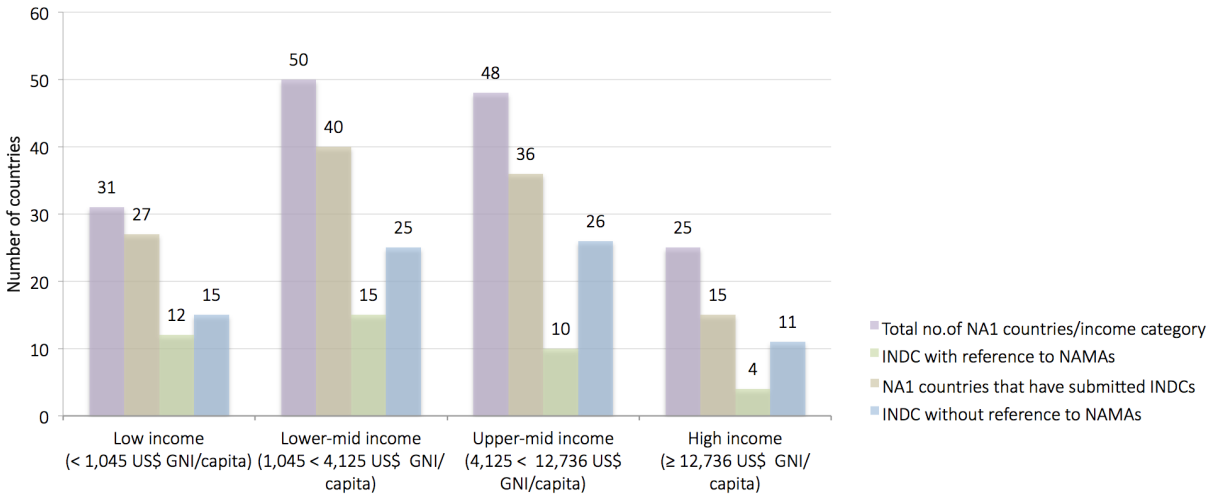


Figure 2: References to NAMAs in INDCs submitted by Non-Annex I (NA1) countries

[8] WRI (2014) What is an INDC? Available from: http://www.wri.org/indc-definition
[9] http://climateactiontracker.org/indcs.html accessed 16/11/20
[10] FCCC/CP/2014/10/Add.1 Decision 1/CP.20 Lima Call for Climate Action p.3, http://unfccc.int/resource/docs/2014/cop20/eng/10a01.pdf
[11] The income categories are based on the World Bank's classification, using 2014 income levels and the Atlas method that adjust for fluctuations in exchange rates.

How are NAMAs and INDCs linked?

INDCs and NAMAs are different in their intent; the former represents a country's ambition at an aggregate national level, while the latter is a specific voluntary action, typically within a single sector. However, INDCs and NAMAs share some characteristics: both are nationally driven processes, which require broad stakeholder engagement and political buy-in from governments; both are ideally framed within broader national/sectoral development priorities. In practice, the two concepts are closely linked and have much to offer each other. This chapter introduces the broad connections between the two concepts, before looking into specific topics in more detail – including financing, stakeholder engagement, co-benefits, MRV and the institutional frame.

Guidance for INDC development describes two main categories of contribution: actions and outcomes (or possibly a contribution of the two)[12]. For the former, action-based, a country may package its existing, planned, and potential future mitigation actions and present them in its INDC. For the latter, outcome-based, a country puts forward a desired outcome or target that can be reached by collective impacts of possible actions. Outcomes can include a commitment to reduce GHG emissions by a certain quantity by a certain date or to increase the share of renewable energy sources or electricity generated with renewable sources. Outcome-based contributions typically are the result of an economy or sector-wide analysis.

A first possibility is that NAMAs, as individual bottom-up actions, can directly be part of an action-based contribution or an outcome-based contribution that aggregates individual actions. Building on bottom-up efforts, such as NAMAs, in this way can make the achievement of INDC targets more tangible and offer a clear approach to implementation. NAMAs can provide an approach to scale-up isolated domestic mitigation action in order to achieve commitments. Domestic programmes can be expanded to other regions, level of government or types of technology and can leverage international and private support. Embedding programmes in broader climate and development policies, performing MRV and assessing co-benefits can enhance the effectiveness of actions and allow for transformational change.

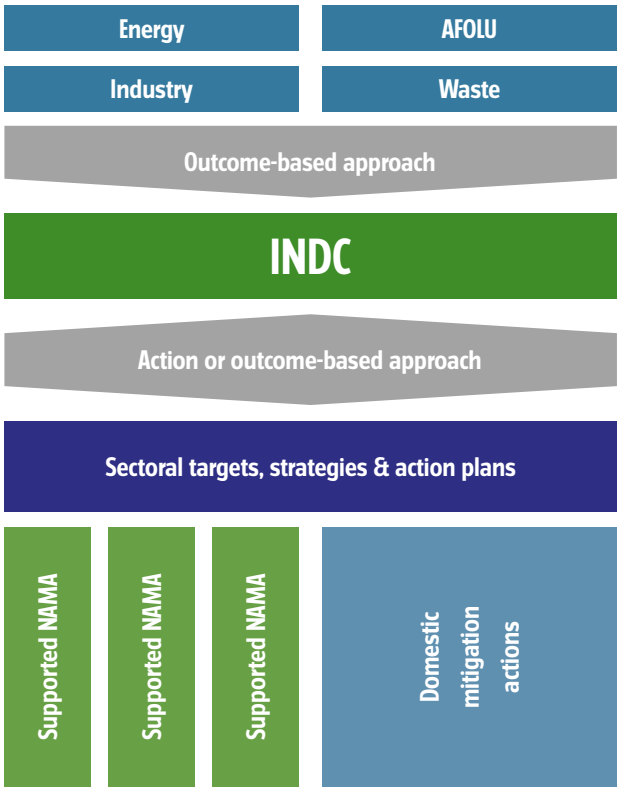


Figure 3: Conceptualisation of NAMAs and INDCs[14]

A second, perhaps more likely possibility, is that NAMAs play a role in meeting targets that have been cascaded down from a high-level outcome-based INDC to specific mitigation actions. These types of contributions can be the result of a top-down modelling exercise or a more visionary level of ambition that has been informed by global estimates of effort sharing[13]. High-level outcomes will need to be assessed to determine where action should be taken within an economy (i.e. sectors) and in what ways (i.e. specific actions). NAMAs and other bottom-up efforts will ultimately be the implementation tool to achieve sectoral goals and thereby meet INDCs.

12 WRI/UNDP (2015) Designing and Preparing INDCs, www.wri.org/publication/designing-and-preparing-indcs
13 The 40% target reduction by 2030 target of the EU might be considered to be of this type
14 ECN/Ecofys (2015) Status Report on NAMAs: mid-year update, June

INDCs ⟷ NAMAs

PURPOSE AND HIGH-LEVEL SUPPORT

Offer an overarching target for all ministries and agencies to strive towards, along with high-level commitment from government (partly through international scrutiny). This can help to build support for bottom-up actions and sectoral strategies.

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The main opportunity for NAMAs is for them to directly serve as an implementation tool for INDCs to achieve mitigation targets; a practical mechanism to materialise the contributions on the ground and bridge the gap between ambition
and action.

INPUTS FOR INDC DEVELOPMENT

Have provided valuable information on mitigation potentials, measures to achieve emissions reductions, costs/savings and other aspects. Action-based INDCs can build on existing NAMAs by aggregating their impacts.

SCALING

Can provide an approach to scale up, expand and deepen isolated domestic mitigation action in order to achieve commitments.

INTERIM TARGETS

Provide short-to-medium term targets and a measurable roadmap toward reaching a longer-term vision spelled out in an INDC, thereby providing a more stable and predictable environment for concerted action.

Figure 4: Key messages - NAMAs and INDCs

Breaking-down high-level targets into contributions from individual sectors and measures is not a new challenge in the field of climate policy. The European Union's (EU) experience in working towards its 2020 climate and energy targets was an illustration of how to successfully cascade high-level targets down to sectors and specific government measures (Box 1). This was done in a way that would eventually lead to increased low-carbon action by private entrepreneurs and consumers (and, in this case, different EU countries as well).

The potential of NAMAs, as an input to action-based or aggregate output-based INDCs or as an implementation tool for more top-down output-based INDCs, is shown in Figure 3. It conceptually illustrates how contributions can be built up from, or broken down to, sectoral plans and individual actions.

One specific question on the relationship between INDCs and NAMAs relates to timing. Should INDCs, which describe post-2020 mitigation ambition, include NAMAs that were initiated pre-2020 and may already be in early implementation stages, or would these be considered 'business as usual'? As noted earlier, the Lima Call for Climate Action does not require any strict form of additionality, only that there is a 'progression' in aggregate ambition from current efforts. NAMAs that have already been proposed or started will likely be considered in the development of many countries' INDCs. NAMAs provide sub-targets and aim to achieve mitigation reductions and co-benefits in specific sectors or geographic regions within a specified timeframe, often in multiple phases. These individual actions can provide a measurable roadmap toward reaching a more long-term vision spelled out in INDCs, thereby providing a more stable and predictable environment for concerted action.

Under the Bali Action Plan, NAMAs were formally framed until 2020. However, the expectation is that they will continue as an implementation mechanism and a vehicle to channel mitigation support. We see this in practice through the inclusion of NAMAs in countries' INDCs and their submissions to the UNFCCC NAMA Registry (see previous chapter). Recognising these links, the following chapters discuss in more detail the opportunities for each concept to complement or inform the other.

Box 1: EU experience cascading high-level targets to countries, sectors and actions

Legislation in the EU has similar challenges to INDCs in that high level targets are set at the European level, but action needs to be implemented in different countries and sectors. The means by which the EU targets are cascaded from high-level targets to action, and the factors that made the approach successful can provide lessons for the link between INDCs and NAMAs. As an example, the EU climate and energy package of 2009 is a set of binding legislation that set out targets and means to achieve them for 2020. The main legislative pieces of the package were improvements in the EU Emissions Trading System (ETS), the Effort Sharing Decision (ESD) for emission reductions in sectors not covered by the ETS, promotion of the use of renewables and the creation of a legislative framework and incentives for carbon capture and storage (CCS). The energy efficiency target was implemented through separate legislation – the Energy Efficiency Directive 2012. In general, where high-level targets are set by EU legislation and cascaded to countries, the means by which countries meet those targets is left open for them to decide. Each country, therefore takes into account its own sectoral and economic detail.

The approach to cascading overarching targets to specific actions in countries and sectors was different depending on the policy area. In the EU-ETS, national emissions caps were replaced by an EU-wide emissions cap with specific sectoral benchmarks. In the ESD national targets were determined by a process taking into account mitigation potential and the economic situation in a country measured by per capita gross domestic product (GDP). The method to set targets was very clear from the outset and targets adopted in the package were the same as those initially proposed. The rules applicable to meeting the targets were however modified during the political negotiations[15].

The renewable targets were also based on an analysis of potential. In the Renewable Directive there are legally binding, differentiated national targets in contrast to previous indicative targets. The Energy Efficiency Directive does not include legally-binding targets for countries but instead includes provisions on specific areas where action is needed, for example renovation of buildings. The package includes a number of interlinking targets that are designed to be mutually supportive[16]. As with other targets, the specific means to achieve them is left to the individual countries and the variety of approaches taken is wide.

Relevant factors enabling the EU to come to a successful agreement on the allocation of targets include acceptance of climate change as a pressing issue and linking of the targets to other core political imperatives such as economic growth and energy security[17]. This link to wider political imperatives is clearly relevant to INDCs and NAMAs with their link to sustainable development. In reaching agreement, it was important that a balanced approach was taken to impact on different regions and sectors. There was also explicit compensation in the package for those countries that were least able to bear the impact. Concessions were made during negotiation, but the key elements of the initial proposals were retained to a large extent. Although the lessons here relate specifically to cascading of targets for a supranational to national level, similar lessons could be applied to the process of translating targets to sub-national regions and different sectors.

15 Morgera, E, Kulovesi, K and Munez, M 2011 Environmental integration and multi-faceted international dimensions of EU law: Unpacking the EU's 2009 climate and energy package, Common Market Law Review vol 48 no 3 pp 829-91

16 Galharret S and Guerin E, The EU Climate and Energy Package: Elements to assess its current performance and suggestions on the way forward IDDRI pour le debat. No1/2011 February

17 A Hayden Europe's Climate and Energy Policy: Lessons for Canada in sharing the effort of emissions reductions, Dalhousie EUCE Occasional Paper No 11 2011

Financing NAMAs and INDCs

Key messages

- Some countries will seek financial support for achieving the ambition in their INDCs. Supported NAMAs offer a channel for accessing international finance, including the Green Climate Fund (GCF), and attracting private sector investment.
- NAMAs can help developing countries distinguish between unilateral and supported measures and identify needed levels of international support, including for the implementation of conditional INDC targets.
- Well-designed NAMAs promote ambitious national programmes that are well suited to take advantage of climate finance while delivering benefits for implementing countries.
- There is no need to wait. Policy-makers in developing countries can already begin to consider how NAMAs can be a driving mechanism toward meeting their post-2020 targets, access international support, and mobilise domestic resources

Many developing countries have thought of national mitigation action strategies as a critical building block in the preparation of their INDCs. NAMAs can provide a tool to support the implementation of the Paris agreement, helping countries meet their stated goals and attract the necessary private sector and international support to achieve greater ambition.

NAMAs offer elements of a framework to develop the concrete sector policies and measures required to implement an INDC, with the following advantages:

- NAMAs can help developing countries distinguish between unilateral and supported measures. In their submissions, many developing countries have indicated that they need support to achieve a greater level of ambition than they can achieve on their own. In these cases, the concept of unilateral and supported NAMAs can offer a practical framework for the implementation of the unconditional and conditional elements included in INDCs. Though most supported NAMAs contain components that use domestic resources, it may be possible to assign the resulting emissions reductions based on the relative share of the low carbon investments.
- NAMAs can help developing countries identify needed levels of international finance. In defining NAMAs, developing countries consider targeted strategies to overcome barriers to low-carbon investments, as well as the level of external support that will be needed for a certain action to be feasible. .
- Well-designed NAMAs promote ambitious national or sectoral programmes that are well suited to benefit from climate finance. NAMAs aim to achieve transformational change, often by combining national policy measures with a financial mechanism to catalyse a pipeline of mitigation projects and mobilise private sector investment. This vision for transformational NAMAs aligns with the selection criteria of the Green Climate Fund (GCF), NAMA Facility, and other funders. Well-targeted international support can help developing countries achieve higher levels of ambition–including meeting conditional targets in their INDC–and promote the strategic use of resources.
- Many funders, including the GCF, seek to support programmes that demonstrate strong country ownership through alignment with national priorities, as well as meaningful domestic investments in the sector. NAMAs promote climate action consistent with sustainable development goals so are well positioned to take advantage of international support, thereby enhancing local efforts to achieve domestic targets. This focus on national priorities also helps to build and sustain political and financial support for implementation.

Key challenges to making use of NAMAs to help finance INDCs include 1) ensuring climate finance supports the implementation of programmes that advance national priorities and catalyse long-term transformation, and 2) ensuring technical and capacity-building assistance is available to support NAMA preparation so that they can be competitive in the selection process of the GCF

and other climate finance institutions. In addition, domestic actions to put in place policy frameworks and address key barriers will be essential to unlocking private sector investment at scale. To fulfil the vision of NAMAs being important instruments for implementing INDCs and meeting the promised level of ambition, additional attention is needed in the following areas:

- **Direct access to finance.** Lowering the barriers for developing countries to access climate finance resources directly, including through the GCF's direct and enhanced direct access (EDA) modalities, can help ensure that funds promote domestic priorities. Under EDA, a programme of activities and project selection criteria would be approved by the GCF Board, giving recipient country institutions the authority to select specific projects for funding. This can promote the development of climate policies and programmes that contribute to sustainable development goals, strengthen country buy-in and build the institutional capacity needed to ensure policies will continue when funding ends.
- **Prioritizing sector-wide outcomes.** Encouraging climate finance institutions and other donors to adopt selection processes and criteria that encourage comprehensive programmes over individual projects can lead to changes at a sector scale. For example, the selection criteria for both the GCF and the NAMA Facility explicitly look at the potential for proposed activities to achieve a transformational outcome. At the same time, scaled up domestic actions will be critical to put in place enabling policies that help create a strong pipeline of low-carbon, finance-ready projects that catalyse public and private investment.
- **Support for NAMA development.** The international community should provide financial support, technical assistance and capacity building so that developing countries can develop policy frameworks and prepare finance-ready NAMA proposals that meet the criteria of climate finance institutions and help achieve the broad goals laid out in their INDCs. Consideration should be given to how existing multilateral and bilateral institutions can enhance the provision of such support, consistent with their existing mandates and criteria.

Even as the world's attention in the coming months will be focused on securing a deal in Paris, policy-makers in developing countries can begin to consider how NAMAs can help them make progress toward meeting their post-2020 targets, access international support, and build political support at home. At the same time, the larger global community can work to ensure that the international climate finance architecture supports the development and implementation of transformational NAMAs that contribute to greater global ambition.

Stakeholder engagement

Key messages

- The benefit of involving key stakeholders in NAMA and INDC design and implementation is to gain legitimacy and trust. It also provides access to information relating to mitigation potential and the feasibility for implementation through different measures and support. NAMAs can be a key tool to demonstrate impacts – they allow stakeholders to engage and understand benefits at a tangible level, rather than with high-level targets.
- TStakeholder engagement should develop a basis for trust to work towards common goals and foster good examples, but the process should also expect learning, and allow for a certain degree of failure in the process.
- TStakeholder involvement should be deliberately designed to ensure the format fits with the roles you want the stakeholders to play and the purpose of the dialogue.
- TBuild private sector support: Sectoral NAMA approaches can raise the level of collaboration with high emitting sectors, attract investment in low carbon technologies, and raise awareness of business opportunities.

Participation of stakeholders in mitigation action planning and implementation is beneficial in terms of strengthening, validating, and creating acceptance and legitimacy for mitigation frameworks. But how can stakeholders be involved most effectively in practice, and what can the experiences related to NAMAs and INDCs tell us in terms of best practices? Often, technical (e.g., GHG inventories, quantifying mitigation actions) and political elements (e.g., selection of priority actions) of processes to develop NAMAs as well as INDCs are inseparable and connected via stakeholder engagement. Stakeholders have an important say in the identification and discussion of technical aspects, such as the level of GHG baselines and the prioritisation of mitigation actions, and hence influence political decision-making. Early engagement of key stakeholders from the private sector, industry and civil society is crucial for ensuring buy-in for low-emission development throughout the process of preparation and implementation.

The following figure provides a framework for designing INDC stakeholder participation in both the technical process of identifying mitigation potential and actions and the process of getting political approval for the INDC. Principally, the strategic design and implementation of stakeholder dialogues for INDCs and NAMAs is similar, although in the case of the former, achieving a high-level political commitment is of particular importance to ensure the legitimacy and feasibility of the stated ambition. NAMAs are in many cases developed within certain sectoral or regional levels (grey boxes in figure) resulting in fewer or more specific stakeholders (directly affected by or needed for development/implementation of NAMA). The INDC ideally encompasses all emission relevant activities at all levels (including NAMAs) and thus has a broader range of stakeholders that need to be involved via one of the channels “information”, “consultation” or “cooperation” (dark grey arrows in figure). In both cases, a wide range of methods and approaches to engage stakeholders exist and the choice significantly depends on the country context and desired results.

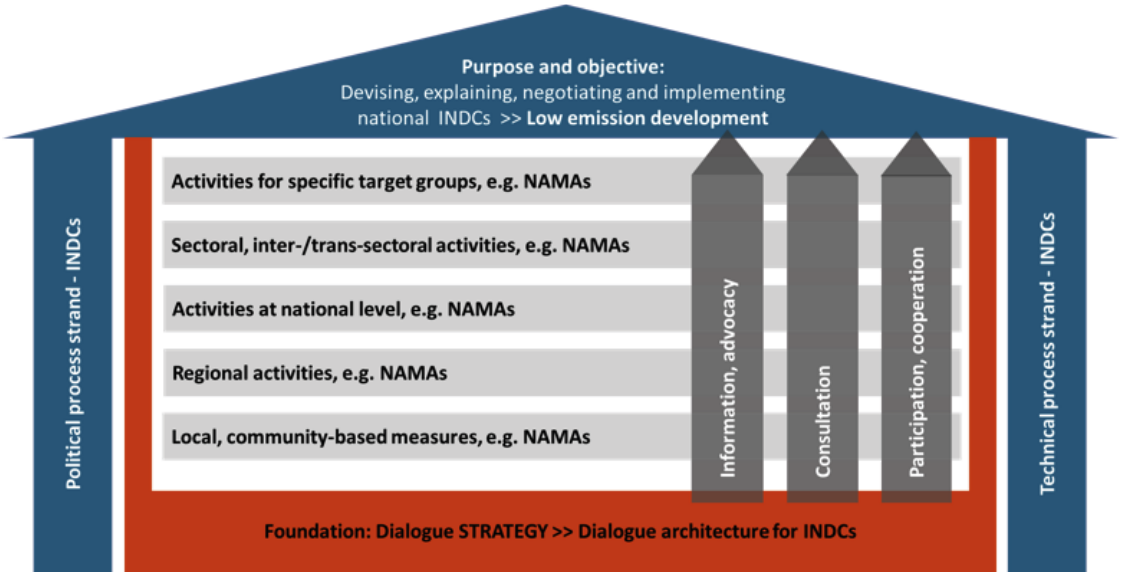

Figure 5: Designing INDC stakeholder processes[18]

A first step is to establish a deliberate and explicit approach to stakeholder involvement. This is important to get a common understanding of the targeted mitigation actions and ways to achieve outcomes among all relevant actors across all relevant levels and sectors. The following steps should be considered while preparing stakeholder involvement:

Designing a strategy and framework for stakeholder dialogues

Before starting the dialogue process, it is advisable to get a clear idea of the purpose of the dialogue, as well as the expected results. Three purposes can be identified, which will influence the choice of communication activities and can be combined in various ways (the following cases mention INDCs, but they can be transferred to NAMA contexts as well):

a. **Information sharing and awareness raising for advocacy:** The expected outcome is to inform the target group (e.g. the general public, sectoral actors, private sector, students), raise awareness for climate change mitigation and enhance advocacy. The information flow is one-directional. An example is to create knowledge platforms for the public in relation to NAMAs or INDCs with information materials that are easy to understand and tailored to the target group, by setting up information channels such as a broad radio or online platforms. In the context of its INDC process, Ghana for instance is planning to organise six radio and four TV discussions to promote the INDC and provide information to the general public, while Brazil has set up a web-based portal on INDCs.
b. **Consultations for ensuring buy-in from relevant stakeholders:** The intention is to gain knowledge of the opinions, perspectives and expectations of various stakeholders and to get their advice and recommendations. Among others this can be achieved by holding bilateral consultations with stakeholders from different levels or online consultations of the public. South Africa for instance is organising consultations in nine provinces to frame its INDC prior to communicating it to the UNFCCC Secretariat. In Chile, the Ministry of Environment initiated a web-based commenting procedure, which resulted in more than 200 comments received on the INDC draft.
c. **Long-term cooperation:** This type aims to set up a long-term cooperation and involve the participants as implementers with ownership and responsibilities into the design of the development and implementation process of INDCs. This includes the establishment of institutional arrangements to enable key stakeholders to convene regularly and to involve them in issues such as the dialogue design itself, the evaluation of the outcomes of COP 21, the discussions regarding readjustments and agreement of the INDC to be submitted to UNFCCC.

18 GIZ (2015) Manual for strategic planning and design of INDC dialogue processes, forthcoming

NAMAs can serve to make mitigation tangible and can be instrumental in articulating co-benefits. Relations established with stakeholders in the context of NAMA development are a good starting point for building long term cooperation.

Identify stakeholders and target groups at various levels

The second step is to identify target groups and think about their role in different phases of the INDC process (e.g. technical analysis, prioritisation of sectors and activities, consultation of draft, implementation of INDC). Mapping the stakeholders according to their role in the INDC process from the provision of data and knowledge, to implementation; and according to their interests such as climate change mitigation, adaptation, development benefits of mitigation and economic efficiency, can help identify fellow campaigners and potential cooperation partners from ministries, business and industry, civil society and academia. Each country needs to find its own context-specific balance: In the Dominican Republic, for instance, while technical experts were involved in the first draft of the INDC, a strategic Management Committee including ministry representatives, associations and electricity providers decided on the INDC development. Stakeholders from other sectors, civil society and the research community were invited to comment on the draft, before organising bilateral consultations with specific sectors.

Integrate process elements into a long-term strategy

Not surprisingly, INDC preparation processes show that there is no one-size-fits-all solution to ensuring effective participation of stakeholders. Formats, duration and frequency of stakeholder dialogues significantly depend on the country context and expected results and need to be designed carefully. Any engagement of stakeholders should be tailored to the intended mitigation programme itself and identifying potential opportunities, selecting relevant topics and appropriate measures which may in turn raise the level of acceptance. Lessons learned during the preparation processes and the NAMA development should flow into a long-term strategic approach to stakeholder involvement to ensure continuous participation and buy-in for the implementation of the INDC. As a result, a long-term mitigation strategy could be equipped with the right institutional setting and resources to ensure a platform for dialogue and continuous consultation among sectors and multiple levels of governance.

Assessing impacts and benefits

Key messages

- Potential sustainable development benefits have been and remain a key driver for countries to engage in the development of NAMAs and INDCs.
- A thorough understanding and appreciation of the impacts can ensure the project or programme is designed in a way that maximises potential synergies with national development strategies
- Highlighting the positive impacts of NAMAs can make NAMA proposals more attractive to a wider range of prospective funders, for example agencies or groups that might not normally prioritise climate mitigation.
- Demonstration of tangible benefits can increase buy-in, engagement and leadership amongst local stakeholders and line ministries.
- Robust INDCs should be the result of a process that generates domestic cross-sectoral buy-in, by showing how the proposed contribution connects with various stakeholders' priorities. However, the domestic benefits of high level mitigation ambition can be challenging to adequately demonstrate at the national or economy-wide level. Assessing the impacts of individual NAMAs is an opportunity to illustrate benefits for a domestic audience in a way that connects with their priorities.

Climate change mitigation ambition has been hindered by cost-benefit analyses that often neglect a thorough consideration of wider benefits. Such benefits may include, among others, reduced dependence on fossil fuel imports and improved energy security, health impacts from air pollution reduction and safer working environments, the generation of sustainable and decent jobs, and the protection of local ecosystem services that local economies depend on. A more serious consideration of the co-benefits of mitigation action can lower perceived costs considerably and even generate positive economy-wide returns, although some of these can be difficult to quantify robustly.

Potential sustainable development benefits have been and remain a key driver for countries to engage in the development of NAMAs and INDCs. The flexible definition of NAMAs and INDCs, as well as the guidelines for their preparation, mean that individual countries can determine a course of action that is most appropriate to their national circumstances and in line with their national strategy objectives for sustainable development. For many stakeholder groups, the mitigation outcomes of NAMAs and INDCs are considered the co-benefits, while the synergies with national development priorities are the immediate and tangible incentives. The links between development priorities and mitigation action have increased local awareness and buy-in to climate change policy across governments and wider stakeholders, and has encouraged many countries to upscale their engagement in mitigation action: since 2011, at least 49 non-industrialised countries have engaged in NAMA development[19], while for the first time in the history of climate change negotiations, the majority of the world's countries are expected to put forward formal climate change mitigation plans in the form of INDCs.

Such an abundance of action from countries not traditionally highly engaged in the mitigation dialogue is attributable largely to the shift of international actions or contributions from the imposition of top-down restrictions to the bottom-up development of nationally determined actions with tangible benefits. For governments and wider stakeholder groups, the climate change mitigation agenda is becoming an attractive platform due to not only an increasing recognition of the climate change vulnerabilities that they face and the urgency of action, but also the international finance channels, which may be available to assist with embarking on sustainable development trajectories.

19 NAMA Database (2015) NAMA Database wiki, http://www.nama-database.org/

Benefit analysis for NAMAs

Consideration of co-benefits has become central to the conceptual discussion on NAMAs. Several organisations have developed tools for the systematic and comparative analysis of sustainable development impacts. For example, such a tool has been used for the prioritisation of potential NAMAs in Kenya's electricity sector[20].

Although consideration of co-benefits has become common practice for national prioritisation exercises, assessments of wider benefits have generally not been particularly thorough in the actual development of NAMA proposals. Such assessments can serve three major purposes for NAMA development: firstly, a thorough understanding and appreciation of the impacts can ensure the project or programme is designed in a way that maximises potential synergies with national development strategies; secondly, highlighting the positive impacts of NAMAs for disadvantaged groups or economy-wide growth can make NAMA proposals more attractive to a wider range of prospective funders; thirdly, demonstration of tangible benefits can increase buy-in, engagement and leadership amongst local stakeholders and line ministries. The latter issue addresses one of the key remaining barriers for the implementation of NAMAs in many countries.

Benefit analysis for INDCs

Co-benefit and impact assessments of INDCs have been applied for various reasons. In the Dominican Republic, an assessment of potential benefits for each potential individual mitigation action was conducted as a major part of the technical analysis, in order to design an INDC with the greatest potential national impact[21]. Similarly, in the EU, an assessment of various aggregated scenarios for their impacts on broader economic indicators[22] played a key role in the selection of a cost-effective INDC implementation pathway. In Chile and Japan, civil society organisations have used benefit analyses to inform and influence the political process with the aim to potentially raise ambition. In other countries governments and civil society organisations have used such assessments to increase awareness and support for the INDC and its implementation across a broader group of stakeholders.
Although these applications demonstrate the good potential effects of benefit analyses, as with NAMAs, thorough assessments are only rarely conducted. There is significant opportunity to raise mitigation ambition through such analyses: The combined missed potential benefits in 2030 of the INDCs of the US, EU and China, compared to what might be required for a 2 C compatible trajectory, have been estimated to be approximately USD 490 billion in terms of cost savings from fossil fuel imports, prevention of 1.2 million premature deaths each year from ambient air pollution, and the creation of 1.9 million full-time equivalent jobs in the renewable energy sector[23].The actual benefits achieved by the INDCs compared to current policy trajectories is only a fraction of this potential.

Linking approaches for NAMA and INDC benefit analyses

There are clear links between NAMAs and INDCs for conducting effective assessments of impacts and benefits. Such assessments for INDCs could be conducted either through a macro-economic analysis of the aggregated actions included in the INDC, or through the bottom-up analysis of the impacts for each individual action. For bottom-up assessments, countries whose INDC is made up of a collection of mitigation actions (action based INDCs), specifically labelled as NAMAs or not, may already have the required analysis from the previous development of their NAMA concepts. In turn, for countries where the individual mitigation actions for implementation of the INDC have not yet been clearly defined (as is the case with outcome based INDCs), the assessment of impacts for the INDC may facilitate the more detailed development of individual mitigation actions, to ensure that they remain highly appropriate to the national development agenda.

20 IISD (2014) Sustainable Development Indicators for Mitigation Actions: Progress and State of the Art, http://mitigationpartnership.net/sites/default/files/jason_dion_iisd_-_sustainable_development_indicators_for_mitigation_actions.pdf
21 Alvarez (2014) Design Options for INDCs The Dominican Republic Case Based on DR: specific analysis of technical abatement potential, http://www.lowemissiondevelopment.org/lecbp/docs/Moises_Alvarez_Dominican_Republic_-_Quantification_of_Non-GHG_Benefits.pdf
22 European Commission (2014) Impact Assessment - A policy framework for climate and energy, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014SC0015&from=EN
23 NewClimate Institute (2015) Assessing the missed benefits of countries' national contributions, http://newclimate.org/2015/03/27/indc-cobenefits/

The thorough analysis of wider social and economic benefits should be mainstreamed into the development of all climate change mitigation activities, including the development of NAMAs, INDCs and future pledges in order to drive increasingly ambitious future cycles of national contributions. Furthermore, such analyses should, where possible, produce results in a common transferable format, so that different parallel processes can profit from prior analysis of benefits, in the same way that most countries have leaned heavily on existing analyses of mitigation potential and costs for their INDC preparations.

Impact and benefits assessments have shown in many cases that the perceived costs of climate change mitigation action are overestimated; the net economy-wide benefits of climate change action can outweigh the costs, not only in the future but also for the current generation. Due to their roots in national appropriateness and synergies with national development strategies, NAMAs and INDCs provide an excellent vehicle for the more thorough appreciation of the national impacts and benefits of climate change action, with the potential to demonstrate an economic argument for increased ambition, and also to realise national development objectives in the most efficient way. This application of rational and engaging economic arguments remains one of the most under-utilised tools in the international effort to raise ambition[24].

24 For more information on these topics see: Bollen, J., 2009. Co-benefits of Climate Policy. International Energy Workshop 2009, pp.1-20; NewClimate Institute (2015) Assessing the missed benefits of countries' national contributions; The New Climate Economy, 2014. The New Climate Economy Report: the global report, Washington

Measurement, Reporting and Verification (MRV)

Key messages

- Capacity has been built and systems put in place in a number of countries for the MRV of NAMAs. These can have important benefits for the eventual assessment of progress on achieving INDCs, in particular, assessing the level of mitigation achieved by certain interventions relative to a baseline emissions scenario will require a robust understanding of the GHG reduction impacts of different measures and actions.
- Previously collected data used in developing NAMAs can help serve as the underlying information and analysis for INDC development, helping countries identify the greatest emitting sectors and sources, as well as mitigation opportunities.
- Institutional arrangements, accounting methods, and reporting platforms for NAMAs can be built upon for INDCs.

Used as a management tool, MRV integrates the three separate processes of measurement (M), reporting (R), and verification (V)[25]. MRV has been routinely used by governments to objectively and transparently assess their projects, policies, and goals. The term first appeared in the context of climate change policy as part of the Bali Action Plan, which called for "measurable, reportable, and verifiable nationally appropriate mitigation commitments or actions."[26] MRV enhances transparency and accountability and enables comparability and aggregation.

For both NAMAs and INDCs, MRV is ideally performed at various stages of design and implementation. Before implementation, MRV facilitates an understanding of the future emissions reductions and emission levels associated with achieving the commitment. During implementation, MRV facilitates the tracking of progress and builds confidence and accountability that commitments are actually being worked towards. After implementation, MRV facilitates a robust assessment of whether national commitments were achieved.

There are several building blocks of the MRV system, and they are common to both INDCs and NAMAs. They include: measurement and accounting methodologies, and reporting requirements; data collection and dissemination systems; institutional arrangements, establishing mandates, roles and responsibilities, coordination, leadership bodies; and other rules and procedures. Necessary capacities include an adequate number of trained technical staff, financial resources and an institutional framework. For those Parties that have established an MRV system for NAMAs over the past few years, it can assist MRV of INDCs in three ways.

First, previously collected data on NAMAs can help serve as the underlying data and analysis for INDC development, helping Parties identify the greatest emitting sectors and sources and mitigation opportunities. For example, to the extent the emissions impacts of NAMAs have been calculated, these can be included in baseline emission scenarios. To the extent that data are still relevant, previously performed prioritisation exercises for NAMAs can assist in identifying priorities for the INDC.

25 Yasushi Ninomiya (2012) Classification of MRV of greenhouse gas (GHG) emissions/reductions: For the discussions on NAMAs and MRV, Policy Brief, IGES
26 UNFCCC (2007) Decision 1/CP.13: Bali Action Plan, FCCC/CP/2007/6/Add.1.

Second, any institutional arrangements, accounting methods, and reporting platforms for NAMAs can be built upon for INDCs. It is not necessary to start from scratch for MRV of INDCs, as many of the core functions for MRV will be similar for both NAMAs and INDCs. Parties have already learned a great deal about the measurability of certain types of NAMAs and their implications for MRV, which can also inform the choice and MRV of INDCs[27]. Any capacities built for NAMA MRV (e.g. trained staff, data collection systems) can also enhance countries' abilities to perform MRV of INDCs.

Lastly, to the extent that NAMAs are underlying policies that help implement the INDC, any tracking system of NAMAs can assist in tracking INDC implementation.

Similarly, as Parties improve their systems to perform MRV of INDCs over time, these systems can benefit MRV of NAMAs. Systems established for data collection and reporting can be used for multiple levels of interventions. As the INDC process likely raises the profile of MRV and availability of respective resources, NAMAs may benefit as a result of improved institutional arrangements, increased human resources, and technical advancements for MRV (e.g. reporting platforms).

As countries design MRV systems for INDCs, it can be an opportunity to build upon and improve any existing MRV systems for NAMAs. It will be most efficient to promote an integrated system, e.g. using the same activity data and emission factors, the same institutional arrangements, etc. And as the building blocks of MRV are advanced over time, they can aid both NAMA and INDC implementation, transparency and accountability.

27 WRI (2013) Designing national commitments to drive measureable emissions reductions after 2020, November.

Institutional frameworks

Key messages

- Strengthening and harmonising institutions to streamline coordination should be a key area of focus when establishing mitigation strategies. Climate change should not be considered a 'fringe' topic, under the charge of a single line ministry, but rather a cross-ministerial mandate inherent to national and sectoral development plans with appropriate budget allocations.
- The institutional and individual capacities that have been built and the knowledge acquired in NAMA development serve as a good foundation for preparing and implementing INDCs.
- INDCs offer the opportunity to connect mitigation ambition to sectoral action, including NAMAs, in line with domestic priorities and drivers. Implementing INDCs could therefore enhance coordination and transparency at the national and sub-national level on climate policy.

Institutional capacity plays a critical role in determining the effectiveness of a developed NAMA to deliver GHG emission reductions and sustainable development impacts such as job creation and poverty reduction. NAMAs potentially require extensive collaboration between multiple layers of governments, the private sector, and civil society to ensure activities are designed well for implementation with realistic goals. Similarly, emission reduction targets such as INDCs emphasise the importance of effective institutional frameworks as they too must be realistic, transparent, and be aligned with national and sectoral development goals.

NAMA and INDC design involves several distinct elements, including political consensus building, technical analysis, and strong capacity-building and communication/outreach components. Strengthening and harmonising institutions to streamline coordination should be a key area of focus when establishing mitigation planning strategies. Climate change should not be considered a fringe specialty under the charge of a single line ministry, but rather a cross-ministerial mandate inherent to national and sectoral development plans with appropriate budget allocations. Further, to build capacity for NAMA and INDC formulation and implementation, the institutional framework must include mechanisms to encourage private-sector investment, build a pipeline of bankable projects, and put in place policies that support mitigation actions.

Streamlining operations so they are more efficient and maximise resources is particularly important because NAMAs and INDCs may cover broad areas and scales (project, policies, and programmes) across many technologies, sectors, and levels of society. Excessive 'red tape' and bureaucracy creates frustration, lack of trust, informational asymmetry, and failure to encourage high-quality NAMA proposals. Streamlining can include creating standardised procedures for the submission and evaluation of NAMA applications, sharing and accessing data, NAMA prioritisation, and establishing a robust link between NAMA activities, national and NAMA-level MRV / data management systems, and national climate and development objectives such as INDC. It may be possible as well to build on lessons learned from established existing systems and processes such as institutional arrangements, project evaluation guidelines, and reporting and verification procedures developed in association with the Clean Development Mechanism (CDM).

Climate change mitigation planning is often under the mandate of environmental ministries. However, emission-intensive sectors such as energy and transport may likely be considered in INDCs and NAMAs. Hence, a centralised coordinating authority with a directive to secure support, integration, and mainstreaming between ministries, departments, and authorities is recommended (e.g., Chile Office Climate Change and Moldova Climate Change Office that are under the Ministries of Environment, and Philippines

Climate Change Commission under the Office of the President). Furthermore, it is critical to have a 'champion' in the coordinating entity to push the process. This entity would conduct awareness raising, disseminate information, provide technical assistance, and facilitate data collection. It is also vital to provide for regular stakeholder participation (see chapter on stakeholder engagement).

An INDC enables countries to link climate change action to national priorities like job creation and national health, and aids cross-sectoral coordination via policy integration[28]. It is important to approach climate change with an over-arching strategy and integrated approach.

Both NAMAs and INDCs represent a political mandate that demonstrates a country's political will to set a trajectory for low-carbon development. This is an opportunity to build momentum amongst varied line ministries in climate change mitigation and to formalise collaboration between ministries. NAMAs and INDCs also offer an opportunity to evaluate an array of activities in multiple sectors for their mitigation potential, cost, and alignment with national sustainable development priorities. The political mandate can be used to attract attention, signal a commitment to establish a stable and transparent supportive policy framework, and raise awareness among entrepreneurs, enterprises, and project developers. Highlighting climate change policies as a national priority can chart out medium and long-term policy directions and attract investment.

INDCs can offer an overarching mitigation target with NAMAs as a tool to meet this national target. They both offer significant opportunity for reducing GHG emissions while driving long-term sustainable development. The political commitment bolstering INDCs and NAMAs in the lead-up to Paris emphasises a growing global momentum for climate change mitigation policy-making. Countries should take advantage of this momentum to develop institutional architectures to realise mitigation and sustainable development impacts and attract international finance and recognition. In countries that find challenges in this process, international support and targeted technical assistance will be needed to ensure effective policy making and implementation.

28 WRI/UNDP (2015) Designing and Preparing INDCs

Concluding thoughts

The Paris COP will need to achieve an ambitious global climate agreement that commits all countries to reducing emissions and sets the world on a low-emission development pathway. Countries' INDCs will be the foundation of such an agreement and NAMAs will play an integral role for the implementation of urgently needed action.

This paper has highlighted the links between NAMAs and INDCs, in particular the importance of NAMAs as a tool to help countries progress toward and beyond their 2020 targets, to access international support and build political and societal support at home. Where INDCs provide an international framework – a commitment to contribute and share responsibility – NAMAs can provide a versatile tool to reach these targets and scale-up domestic action.

NAMAs have mostly signified voluntary government actions whose implementation depends on external sources of funding. This perception has, at times, limited their domestic buy-in, as implementation may be seen as dependent on international support. The national and highly visible nature of INDCs has the potential to increase domestic buy-in for sectoral action plans and individual measures, including NAMAs. In return, NAMAs can be a practical "mechanism" to materialise the contributions on the ground. In addition, the more clearly defined scope of individual NAMAs is an opportunity to illustrate benefits for a domestic audience. It is difficult for stakeholders to engage with a high level target, as the direct impacts to them may be unclear, but understanding the impacts of a specific action is more feasible.

Nonetheless, the NAMA concept needs to continue to evolve. NAMAs do have value as a concept, but they run the risk of becoming piecemeal efforts promoted by development partners. For the concept to be most impactful, NAMAs need to become a term that is synonymous with government-led actions of all kinds and to be thought of in a more integrated way within sectoral plans/strategies, instead of as standalone efforts. Such a formulation offers an opportunity to engage more fully with financial institutions and key large economies that may have seemed hesitant to date. INDCs and NAMAs can and should be linked in many ways, from channelling and leveraging finance, engaging stakeholders, assessing and emphasising co-benefits, conducting MRV, and building an integrated cross-sectoral institutional framework to bridge the gap between ambition and action. At the same time, NAMAs will need to demonstrate in the short to medium term that they can represent a viable and scalable means to achieve emission reductions in a cost effective manner.

What can we expect beyond 2020 in light of these links? NAMAs should and will continue to be an important tool to achieving mitigation and sustainable development. INDCs could support NAMAs, and domestic (unilateral) NAMAs in particular, with more legitimacy and recognition. In practice, many countries may choose a pragmatic approach to establishing an interface between INDCs and NAMAs in the form of sectoral strategies and action plans. Overall, governments will need to take a leading role in both INDC and NAMA implementation to be successful in achieving mitigation.

To avoid delaying mitigation action any further, it is important to keep momentum behind NAMAs as one of the few approaches available to us. We should also learn from the experience of the CDM in regards to retaining capacity, a situation where a lot of knowledge and energy for a mitigation approach were lost or scattered as that mechanism became less central in a changing climate regime. The skills and learning on NAMA development can be seen more fundamentally as capacity for bottom-up action design. Attention should be paid now to ensure that this capacity is maintained in the future. To do this, continued attention must be paid to NAMAs in Paris, as a key implementation tool for INDCs and, therefore, a key element of the success of a new global climate agreement.

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Xander van Tilburg
Senior Researcher
ECN Policy Studies
M: +62 (0) 812 8266 8876
vantilburg@ecn.nl

Katja Eisbrenner
Unit Manager International
Climate Policies
Ecofys
M: +49 (0) 172 2973 731
f.k.eisbrenner@ecofys.com