

Regional Workshop on NAMAs for Africa

Windhoek, 1 – 3 October 2014

Best practices/possible approaches on identifying, quantifying, and reporting sustainable development benefits of NAMAs

Karen Holm Olsen

Low Carbon Development Programme

UNEP DTU Partnership



Outline:

- Issues and challenges
- Overview of approaches to measure SD benefits:
 - CDM SD tool
 - A co-benefits approach to NAMAs
 - Development Impact Assessment (DIA) Visual
 - Methods to quantify/monetize the SD co-benefits – by the Gold Standard & South Pole
- Examples
 - An expanded CDM SD tool analysis applied to NAMAs
 - NAMA SD evaluation tool by MDG Carbon/South Pole

Issues and Challenges

- **Development First!**

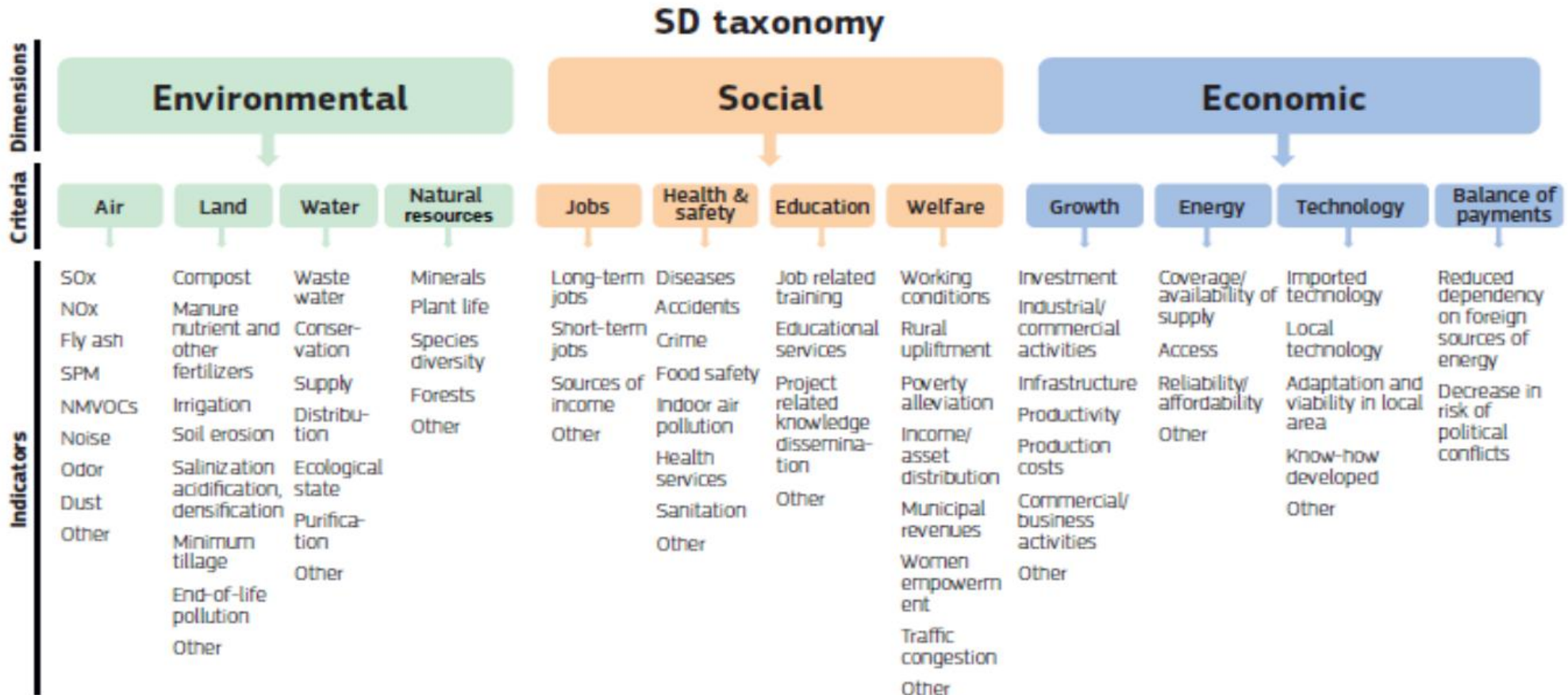
“We should cooperate in achieving the peaking of global and national emissions as soon as possible, recognizing that the time frame for peaking will be longer in developing countries and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-emission development strategy is indispensable to sustainable development” (Source: 2/CP.15, paragraph 2)

- How to identify, design and assess the SD co-benefits of NAMAs to achieve the most development benefits?
- How to ensure private and civil society stakeholder involvement in government-driven NAMAs?
- How to MRV the impacts of GHG reductions and co-benefits for transformational change towards low carbon and sustainable development?

Overview of approaches to measure SD co-benefits – CDM and NAMAs

| | CDM SD Tool | A co-benefits approach to NAMAs | DIA Visual | Gold Standard | South Pole |
|-----------------|---|---|--|---------------------------------------|-----------------------------------|
| Data | CDM Project Design Document (PDD) | Technology options - Stakeholder prioritization | Technology options - Expert judgement and available data | Categories of CDM projects | Empirical data for waste projects |
| Method | SD indicators - qualitative description | Multi Criteria Analysis (MCA) | SD indicators - structured prioritization | Monetary valuation - transfer pricing | Valuation - willingness to pay |
| Key stakeholder | CDM Project developer | NAMA developer | LEDS/NAMA developer | Experts | Experts |

CDM SD Tool



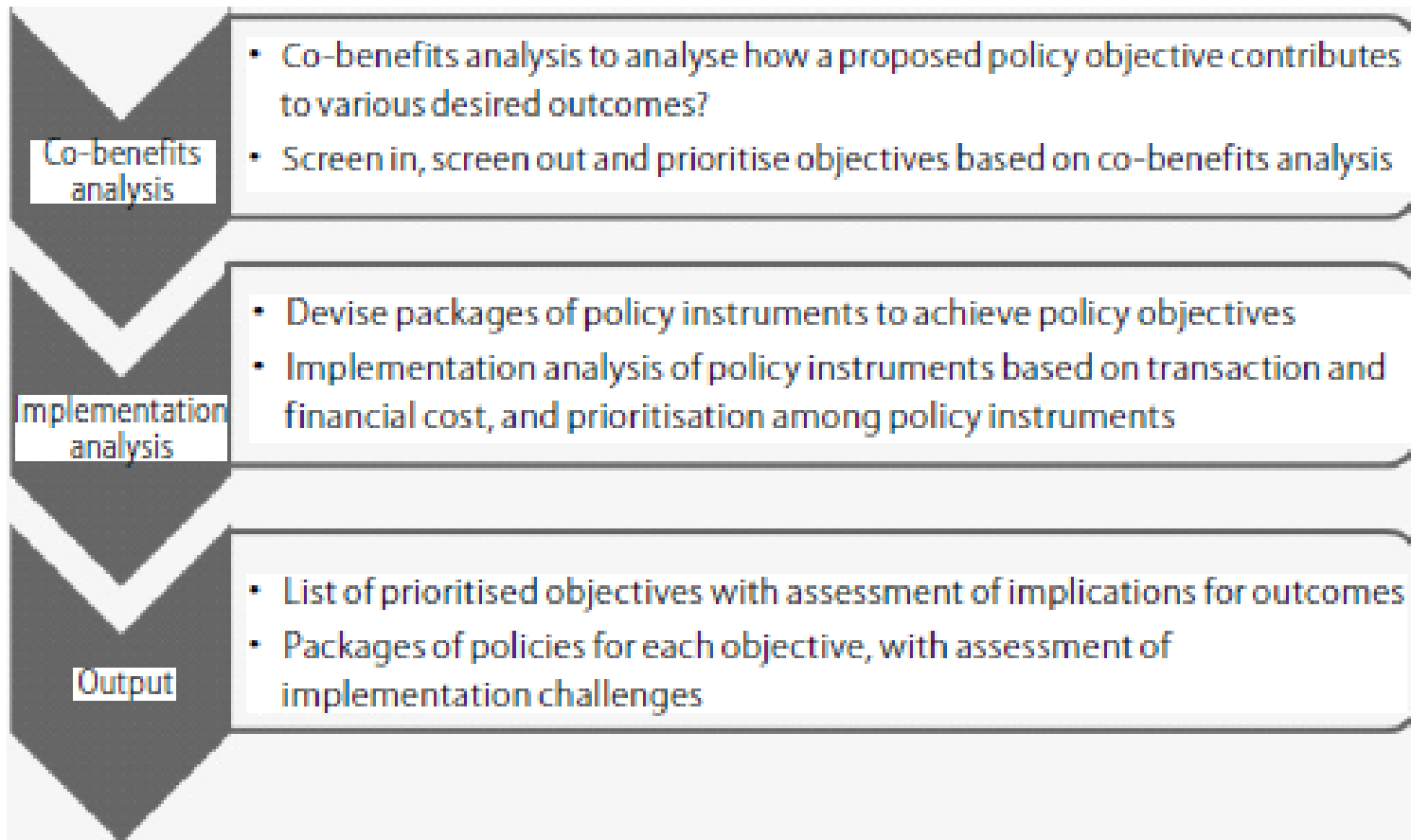
Example of SDC report: - air quality

Improved cook stoves programme in India

| | | Slightly | Partly | Highly | N/A |
|-----|--|----------|--------|--------|-----|
| Air | Reducing SOx | • | | | |
| | Reducing NOx | • | | | |
| | Reducing Fly ash | | | • | |
| | Reducing suspended particulate matter (SPM) | | | • | |
| | Reducing Non Methane Volatile Organic Compounds (NMVOCs) | • | | | |
| | Reducing Noise Pollution | | | | • |

| Indicator | Specification | Extent |
|---|--|---------------|
| The CDM PoA improves air quality by reducing air pollutants as follows: | | |
| SOx | <i>Due to complete combustion of biomass less smoke is released into the atmosphere which reduces the Sox emissions.</i> | <i>Slight</i> |
| NOx | <i>Less smoke results in reduction of NOx emissions.</i> | <i>Slight</i> |
| Fly ash emissions | <i>The efficient combustion process in the improved cook stoves leads to lower the fly ash and its associated emissions into the atmosphere.</i> | <i>High</i> |

A co-benefits approach



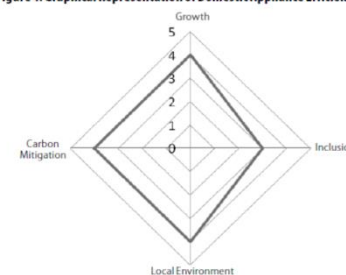
Source: Dubash et. al. (2013): "Indian Climate Change Policy. Exploring a Co-benefits Based Approach", Economic & Political Weekly, June 1, 2013

Example of co-benefit assessment

Table 4: Improving Domestic Appliance Efficiency as a Policy Objective

| Description of Policy Objective: | | | |
|--|---|---|-------------------------|
| <ul style="list-style-type: none"> Objective: Introduce super-efficient electrical appliances. Policy actors: Bureau of Energy Efficiency, appliance manufacturing industry and distribution networks. Time-scale: Medium term. | | | |
| Co-benefit | Description of Benefit or Cost | | Qualitative Grading 1-5 |
| Growth | Impacts on aggregate demand and efficiency of resource use | <ul style="list-style-type: none"> Mildly positive effect due to increased demand for appliances because of lower operational costs Positive impact as energy inputs for unit energy services are reduced, but will be tempered by the possibly greater usage and higher number of appliances due to a rebound effect | 4 |
| | Creation of jobs | <ul style="list-style-type: none"> Mild growth in jobs in the appliance industry in keeping with increased demand, tempered by reduced jobs in the power sector due to reduced capacity | |
| | Energy security | <ul style="list-style-type: none"> Neutral or mildly positive if the reduced need for power capacity results in reduced imports of coal or natural gas | |
| Inclusion | Improving outcomes for the poorest | Merely increasing the efficiency of domestic appliances neither promotes nor discourages inclusion. ¹² | 3 |
| | Reducing disparities in distribution | Similar to the above argument | |
| Local Environment | Air | <ul style="list-style-type: none"> Reduced electricity demand would lead to fewer power plants, reduced coal demand, and hence improved air quality at power generation and coal mining sites. Reduced life-time cost of appliances (perhaps supported by subsidies to mitigate the upfront costs) could result in increased appliance use and purchase – a “rebound effect”. | 4 |
| | Water | <ul style="list-style-type: none"> Reduced demand for power plants would result in reduced water demand, reduced water pollution from fly ash, and reduced water depletion due to coal mining. | |
| | Land | <ul style="list-style-type: none"> Reduced demand for power plants and coal mines would reduce the requirement for land significantly | |
| Carbon mitigation | <ul style="list-style-type: none"> Similar to the reasoning for local environmental gains. GHG savings in 2020 could be about 31 million tonnes CO₂ equivalent (Chunekar et al 2011). | | 4 |
| Total (4-20) | | | 15 |
| Interlinkages with other policy objectives +ve or –ve | | There are no cross-linkages of this objective with either inducing a modal shift in urban transport or with the promotion of bioethanol/diesel. | |

Figure 4: Graphical Representation of Domestic Appliance Efficiency



DIA Visual






| | Climate | | | Economic | | | | Social | | | | | Environmental impact |
|--|---|---|--------------------|----------------------------|-----------------|-------------------------------------|-----------------------------|------------|---------------|--------|-----------|--------|----------------------|
| | Abatement potential (2020 ktCO ₂) | Abatement cost (2020 USD/tCO ₂) | Climate resilience | GDP / macroeconomic impact | Energy security | Rural economic impact / development | Household / consumer impact | Employment | Energy access | Health | Education | Gender | |
| Improved cookstoves Rural woodfuel use intensity reduced by 10% through improved cookstoves | 200 | -2 to 0 | ● | ◐ | ◐ | ◐ | ◐ | ◐ | ◐ | ● | ● | ● | ● |
| LPG for cooking LPG access by 2020 is 50% as opposed to projected 24.5% | 360 | 3 to 85 | ● | ◐ | ● | ◐ | ◐ | ◐ | ● | ● | ● | ● | ● |
| Productive uses of energy (PUE) Irrigation 14000ha with RE (pilot prog.) 2000 RE powered MFPs (pilot prog.) | 20 | n.a.* | ◐ | ◐ | — | ● | ◐ | — | ◐ | ● | ◐ | ● | — |
| Improved charcoal production Plantations and improved conversion technologies penetrate 10% of supply | 100 | 1.5 to 20 | ◐ | — | — | ◐ | — | ◐ | — | ◐ | — | — | ◐ |
| Landfill gas generation Accra and Kumasi landfills developed by 2020; approx. 30 MW of generation | 360 | 18 | ● | — | — | — | — | — | — | ● | — | — | ● |
| Biodiesel production Domestic requirement for 5 percent blend by 2020 | 295 | 66 | ◐ | — | — | ◐ | ◐ | ◐ | — | ● | — | ◐ | ◐ |

Figure 3: Completed Ghana case study visual resulting from the stakeholder workshop

Source: Cameron et al. (2014): “Visualising Development Impacts: Experiences from country case studies.” Conference Paper, MAPS, January 2014, Cape Town

Gold Standard –valuation of co-benefits

TABLE 3
Cobenefits per year
(estimates in international \$ - 2013)

| |  Biodiversity per year |  Balance of Payments per year |  Employment per year |  Livelihood per year |  Health Impacts per year | |
|--|---|---|---|--|---|------------------------------------|
| | \$6M | | \$1M | | | AFFORESTATION AND REFORESTATION |
| | | \$100M | \$12M | | | WIND |
| | Unable to quantify although significant for some projects | | \$4M | \$143M | \$84M | COOKSTOVES |
| | Unable to quantify | | \$2M | Unable to quantify | \$302M | WATER FILTERS |
| | | | \$1M | \$6M | \$25M | BIOGAS |
| | | | | | | |

Source: The Gold Standard, (2014): “The real value of robust climate action”. A Net Balance Report for the Gold Standard Foundation

Method of valuation – benefit transfer

- Valuation and monetisation are assumed to bring interesting perspectives and new angles to assess the merits of mitigation actions and how to manage them
- Non-market valuation techniques remain the only currently widely accepted way to put a value on intangible benefits
- ‘Benefit transfer’ requires a strict control of the similarity between the two environments, where the value is transferred and is based on case by case studies

South Pole –monetizing approach to waste sector NAMAs

Mitigation actions are driven by sustainable development benefits that need to be monetized:

- Identify who is willing to pay for the SD co-benefits
- Determine the willingness to pay per unit of created co-benefit
- Facilitate a transaction of this willingness to pay to the producer of the co-benefits

“Willingness to pay” for co-benefits is determined as the existing spending within the current public budget or if privately generated through private spending.

Source: Draft discussion paper presented at side event in Bonn, 7 June 2014 titled: ‘Quantifying and monetizing NAMA co-benefits’

Example 1: CDM SD Tool applied to NAMAs

| NAMA | Environmental | Social | Economical | Institutional | Transformational |
|--|--|--|--|---|--|
| Chile: Implementation of a National Forestry and Climate Change Strategy <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 | |
| Uruguay: First introduction of Photovoltaic Solar Energy in the national electrical grid <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 |

An integrated approach

Three elements: 1) SD indicators , 2) Stakeholder involvement procedures, 3) Safeguards against negative impacts

| | | |
|--|---|---|
| Action/Project cycles | NAMAs | CDM |
| National Development Planning | Low Carbon Development Strategy (LCDS) Identify SD objectives to which NAMAs contribute | - |
| Design of action/project | No format requirements Include indicators/metrics for SD benefits in the design format and conduct stakeholder involvement and safeguards for no-harm-done | 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 Explicit SD and climate benefits can help inform investors to get the most benefits for their money | Investors |
| Implementation | NAMA developer | Project owner/Coordinating Managing Entity (CME) for Programmes of Activities (PoAs) |
| Monitoring | Ditto SD indicators to be monitored 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, SD objectives 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 Units of GHG reductions to be certified for their SD co-benefits | Executive Board (EB)/Registry |

Low Carbon Development
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Sustainable Development Impact of NAMAs:

**An integrated approach to
assessment of co-benefits based
on experience with the CDM**

**Karen Holm Olsen
UNEP Risø Centre
Technical University of Denmark**



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Example 2: NAMA SD evaluation tool

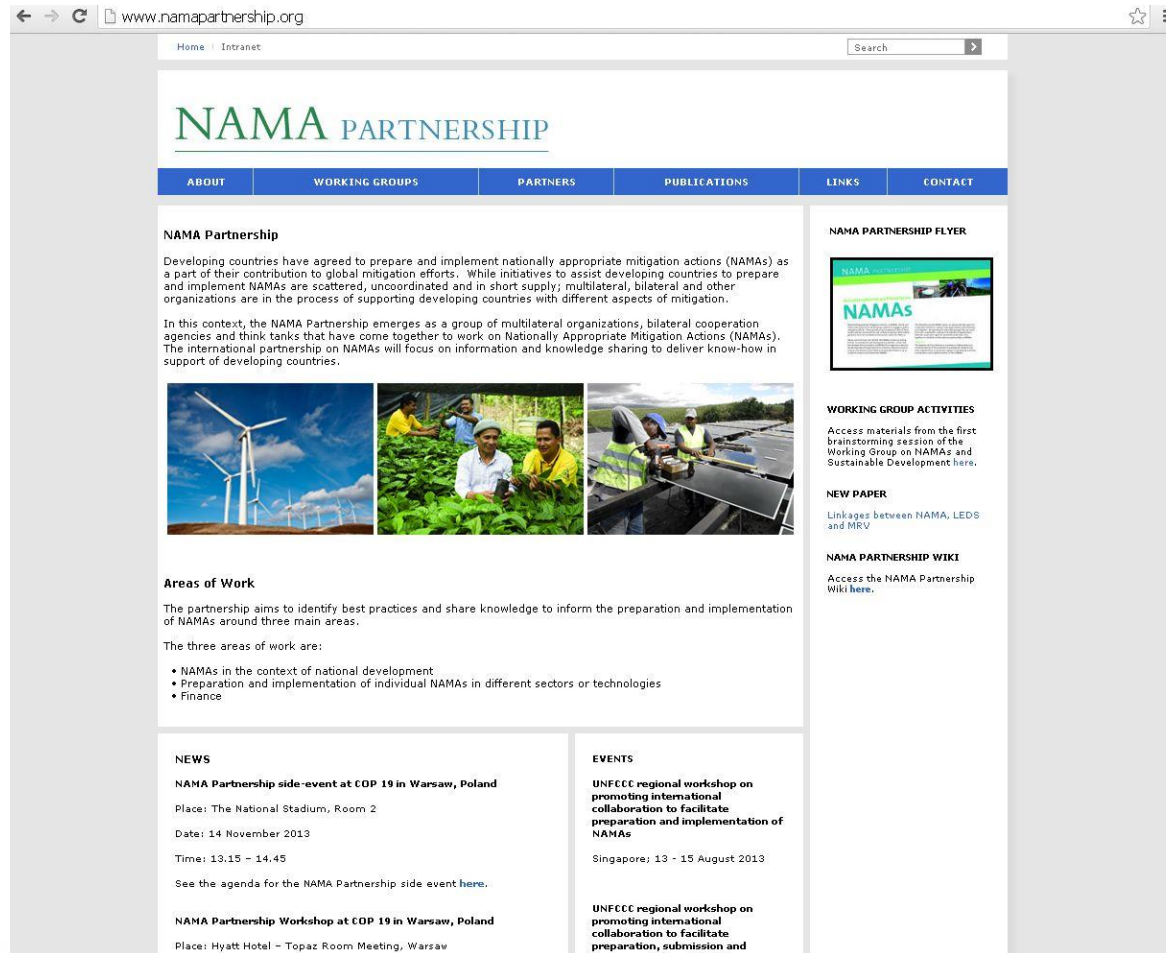
The Tool is an Excel work book with eight sheets:

| Sheet | Description |
|-------------------------|--|
| SDGs & target | Sustainable Development Goals (SDGs) and targets are future global priorities for sustainable development. The tool makes a link between the NAMA indicators and global targets. |
| Instructions | The first sheet describes the eight components of the tool |
| SD evaluation | The SD co-benefits are quantified based on a baseline value, an intervention value and a target value for each indicator. The score is expressed as Nationally Appropriate Improvements (NAIs) that can be positive or negative. |
| Selection of indicators | SD indicators are selected specific to each NAMA intervention. A NAMA may consist of several interventions. |
| MRV | MRV is based on interventions for NAMA implementation. Three sheets provide formats for: 1) Parameter selection for indicators, 2) MRV of the intervention and 3) Monitoring format for each intervention, indicators and parameters |

Source: The tool is available online here www.undp.org/content/undp/en/home/librarypage/environment-energy/mdg-carbon/NAMA-sustainable-development-evaluation-tool. By MDG Carbon and South Pole

NAMA PARTNERSHIP WEBSITE

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NAMA Partnership

Developing countries have agreed to prepare and implement nationally appropriate mitigation actions (NAMAs) as a part of their contribution to global mitigation efforts. While initiatives to assist developing countries to prepare and implement NAMAs are scattered, uncoordinated and in short supply; multilateral, bilateral and other organizations are in the process of supporting developing countries with different aspects of mitigation.

In this context, the NAMA Partnership emerges as a group of multilateral organizations, bilateral cooperation agencies and think tanks that have come together to work on Nationally Appropriate Mitigation Actions (NAMAs). The international partnership on NAMAs will focus on information and knowledge sharing to deliver know-how in support of developing countries.



Areas of Work

The partnership aims to identify best practices and share knowledge to inform the preparation and implementation of NAMAs around three main areas.

The three areas of work are:

- NAMAs in the context of national development
- Preparation and implementation of individual NAMAs in different sectors or technologies
- Finance

NEWS

NAMA Partnership side-event at COP 19 in Warsaw, Poland

Place: The National Stadium, Room 2

Date: 14 November 2013

Time: 13:15 – 14:45

See the agenda for the NAMA Partnership side event [here](#).

NAMA Partnership Workshop at COP 19 in Warsaw, Poland

Place: Hyatt Hotel – Topaz Room Meeting, Warsaw


EVENTS

UNFCCC regional workshop on promoting international collaboration to facilitate preparation and implementation of NAMAs

Singapore; 13 - 15 August 2013

UNFCCC regional workshop on promoting international collaboration to facilitate preparation, submission and

NAMA PARTNERSHIP FLYER



WORKING GROUP ACTIVITIES

Access materials from the first brainstorming session of the Working Group on NAMAs and Sustainable Development [here](#).

NEW PAPER

Linkages between NAMA, LEDS and MRV

NAMA PARTNERSHIP WIKI

Access the NAMA Partnership Wiki [here](#).

Thanks!