

# POLICY BRIEF

## Nationally Appropriate Mitigation Actions (NAMAs) and Measurement, Reporting and Verification (MRV)

This policy brief is part of the Technical Assistance to the Ghanaian National Climate Change Policy Framework (NCCPF). The analysis is supported by DFID (UK Department for International Development) and the Dutch Government

November 2010

### Abstract

Nationally Appropriate Mitigation Actions (NAMAs) is a new instrument being developed under the international climate regime. NAMAs may provide interesting opportunities for Ghana to access international finance, technology and capacity building for policies that promote sustainable development and greenhouse gas reduction. Ghana has already submitted a list of 55 potential NAMAs to the UNFCCC, but further work would be needed before submitting a NAMA proposal for funding. Fast start climate finance may be accessible for the development and implementation of NAMA proposals.

As discussed in the international climate negotiations, NAMAs and the support pledged for their implementation will probably have to be measured, reported and verified (MRV-ed) in accordance with guidelines which are to be developed. MRV would provide valuable information to both the Ghanaian government and the international donors regarding the implementation of the NAMA and the support being provided.

## INTRODUCTION

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One of the aims of the international climate negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) is to agree on a new, legally binding, international framework to reduce greenhouse gas (GHG) emissions after 2012 when the first commitment period of the Kyoto Protocol expires. However, progress continues to be slow, and the 2009 climate conference in Copenhagen only resulted in the non-binding Copenhagen Accord.

As part of the negotiations, new concepts are emerging on how developing countries could contribute to global emissions reductions on a voluntary basis and receive international support for their actions. This policy brief is about two such concepts: Nationally appropriate mitigation actions, or NAMAs, represent voluntary, government-led actions in developing countries to mitigate GHG emissions in line with national development priorities. The other concept is Measurement, Reporting and Verification, or MRV, which is related to NAMAs as it gives information regarding the implementation of national climate actions and their international support. MRV is important not just internationally, but it can also help national and local governments to develop effective policies.

For both concepts, it is currently unclear how exactly they will function as part of the international climate regime – much of the details are still under negotiation. However, they are likely to provide opportunities for developing countries, which makes these concepts relevant for Ghana. This policy brief gives an overview of the state-of-the-art of NAMAs and their MRV, and outlines options for Ghana to use these concepts in the near future.

## NAMAS EXPLAINED

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NAMAs are the central concept in the international climate negotiations on developing country emission reductions, and first appeared in the Bali Action Plan (2007) as “Nationally appropriate mitigation actions by developing country Parties in the context of sustainable development, supported and enabled by technology, financing and capacity-building, in a measurable, reportable and verifiable manner”. The Bali Action Plan was the result of the 2007 UN Climate Change Conference in Bali and laid out a roadmap for developing an international agreement on climate change until 2009. As of yet there is no definition of a NAMA but the general consensus indicates

that it is a voluntary action by a developing country government that leads to a reduction of GHG emissions, and provides more opportunities for large-scale reductions than for example the Clean Development Mechanism (CDM). In contrast to the CDM, a NAMA is a government-led programme or policy and may be implemented a) only with domestic resources (unilateral), b) be supported by international finance, technology and capacity building or c) developed under the carbon market (see Figure 1).

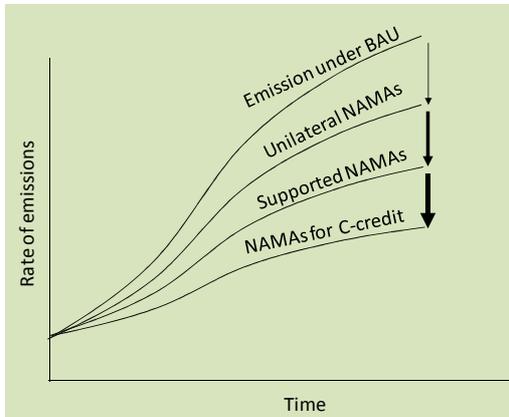


Figure 1: Three types of NAMAs (courtesy of Rizaldi Boer)

A NAMA proposal could contain elements such as description of current situation, how the action reduces emissions below business as usual, resources and international support required, an implementation plan, and MRV provisions (see below). It is likely that a registry under the UNFCCC, to which NAMA proposals can be submitted, will need to be established. The functions of this registry would be to match actions and support, provide support for preparing NAMA proposals, and provide international recognition of actions.

As of late 2010, 43 countries, including Ghana, have attached NAMA proposals to their association to the Copenhagen Accord. These initial proposals are very broad and range from voluntary economy-wide absolute emission reduction goals (e.g. Costa Rica, South Africa, South Korea) to more specific sectoral actions, such as the concrete measure suggested by Ghana (see below).

## MRV EXPLAINED

MRV is about monitoring whether climate actions are being taken, how successful they are, the emission reductions they create, and whether the support promised is really being provided. It is expected that some form of monitoring of NAMAs and of the international support pledged and provided for NAMAs will be required. In the language of the climate negotiations this is referred to as measurement, reporting and verification (MRV), which applies to both the action and the support in terms of finance, technology and capacity building (if applicable).

### What could a NAMA look like?

A NAMA could, for example, be:

- A feed-in tariff for renewable energy, where international support is used to pay for the additional costs of renewable energy compared to the fossil-fuel alternative,
- The establishment of an efficient urban public transport system, which improves traffic flow and local air pollution,
- A scheme of rebates to consumers for buying energy efficient electrical appliances

Thereby MRV aims to 1) build trust between developed and developing countries, 2) assess the progress towards the global goal of reducing emissions in order to reach the 2°C target, 3) provide international recognition of each country's actions, 4) assess the need for support for mitigation and 5) identify and share best practices in order to improve implementation and 6) provide feedback on policy implementation.

MRV is not something new: successful implementation of policies always requires monitoring and evaluation at the local and national level. For example for an efficient lighting programme there

needs to be monitoring how many energy efficient light bulbs have been provided to households and whether they are being used in order to estimate the national budget impacts and the impact on the electricity demand.

In the climate negotiations, however, MRV is taken to some extent to the international level. The Copenhagen Accord and the latest UNFCCC negotiation text speak about domestic MRV for unilateral NAMAs with international reporting e.g. through National Communications, where national sovereignty will be respected. Supported NAMAs are likely to be subject to international MRV.

The guidelines for MRV on international level are still to be developed, however there is some general consensus. First of all, MRV should not be a burden but facilitate further action. Methodologies for CDM projects are generally considered to be complex, and may be a barrier for projects. MRV of NAMAs therefore needs to be simpler than that. Estimation of emission reductions (outcome indicator) of an action is preferable, but may be costly to do. Other indicators may also be used: 1) input indicators, such as resources spent/provided, 2) process indicators, such as the development of detailed policy plans, or 3) output indicators, e.g. the electricity production by a wind farm, or the modal split in the transport sector. Each of these indicators provides information on the actions and support and could be part of an MRV system. Furthermore MRV is also about establishing a clear understanding of current emissions in each sector by means of a GHG inventory. This inventory is part of the National Communications on climate change, which is also likely to be the channel through which NAMAs are reported, thereby creating a consistent picture of emissions and avoided emissions, which is updated over time.



*A program on efficient charcoal production could be developed under a NAMA (photo: sarahemcc/flickr)*

When a NAMA is being developed, MRV needs to be taken into account: which type of data is needed to plan and monitor the action, which types of indicators and methodologies can be used to cost-effectively MRV the action? When the action is taking place, data on the implementation, resources used and impacts would be gathered. This data could be used to make reports on the progress and on the impact on GHG emissions of the actions, which if needed could be verified by national or international bodies.

## **NAMAs AND MRV: THE RELEVANCE FOR GHANA**

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Ghana has associated itself with the Copenhagen Accord and submitted 55 NAMAs, including measures such as reduction of electricity transmission losses, expansion of renewable energy, incentivising the use of public transport and promotion of energy-efficient cooking stoves. This clearly shows that there are a number of ideas for policy measures that promote sustainable development and reduce greenhouse gas emissions at the same time.

As part of Ghana's activities on REDD+ (Reducing Emissions from Deforestation and Forest Degradation), efforts to develop an MRV system for the carbon stock of Ghana's forests are already underway. Within the energy sector, data on GHG emission reductions of policies or programs is

currently collected on a project / program basis, either by the Energy Commission or by private operators for programs targeting the carbon market. Larger scale low carbon initiatives in the energy sector would probably at the minimum require a better coordination between the public and private sector on the monitoring of interventions.

## NEXT STEPS

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Uncertainty remains on the concrete outcomes of the discussions on NAMAs and MRV, and a final operationalization under the international climate regime is likely to take several years. Currently, no NAMAs have been undertaken. However, most probably the concepts are here to stay. Therefore there is a window of opportunity now for developing countries to pilot the NAMA concept and develop the first concrete NAMA proposals. Funding and technical support for pilot-NAMAs is available (e.g. from the Copenhagen fast start finance or from development banks). This presents potential benefits for early movers.

As MRV is connected to NAMAs, in parallel an MRV system can be set up to provide policy monitoring. This would provide useful lessons learnt both domestically and internationally. Setting up an MRV system covers both institutional questions (who monitors what and who gathers and manages data) as well as technical issues (which data and methodologies to be used). The system should preferably be based on existing systems for monitoring and evaluation.

The government of Ghana could develop a selection of these NAMAs into concrete proposals which could be eligible for international support in the form of financial resources, technology transfer and capacity building. And developing NAMAs may help the sustainable low carbon development of Ghana.

Pilot-NAMAs could be based on current policy documents and policy processes related to low-carbon development, e.g. on the planned Renewable Energy Law. Given that Ghana's initial NAMA list is extensive, it may be most feasible to select 2 or 3 ideas in key sectors that are relatively advanced in terms of data availability and policy development, and where the sustainable development benefits of the proposed NAMA would be high.

Developing an initial NAMA proposal might take about 6 months, depending on the commitment of stakeholders in the sector and the availability of previous analysis and data, and could be facilitated by international support. It would then be possible to seek funding for implementation from bilateral or multilateral donors.

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