

# Mitigation Actions by Developing Countries in Post-2012

**- Registry & Credits for NAMA -**

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## Key issues on mitigation actions by DC?

- ❖ How to turn mitigation actions by developing countries into international commitments?
- ❖ How to ensure such actions are MRV?
- ❖ How to support and enable developing countries with technology & finance?

# Guiding Principles

- ❖ “Common but Differentiated Responsibility and Respective Capabilities”
  - **Historical Responsibility** ⇒ criteria for type of international commitment (i.e. binding target or voluntary approach)
  - **Respective Capability** ⇒ criteria for deciding future responsibility

# MRV system on DCs

- ❖ For developing countries, economy-wide target is not appropriate due to uncertainty of BAU
- ❖ Economic fluctuation high
  - difficult to predict the future
- ❖ Many lack complete & transparent emission inventories
  - little incentives to establish more complete MRV system

# Solution : Registry of NAMA

- ❖ Register National Appropriate Mitigation Actions (NAMA)
  - Voluntary actions based on countries respective capabilities ⇒ can provide international status on domestic actions
  - MRV : comparable to each countries capability
    - ✓ Respecting environmental integrity

# Incentive for Registry

- ❖ Provide “Carbon Credits” for registered NAMA
- ❖ Benefits
  - 1) Mitigation can be initiated even without finance & technology (e.g. unilateral CDM)
    - Developing countries can play a proactive role in mitigation while pursuing low carbon development

# Incentive for Registry

## 2) Scaling up Finance & Technology Flow

- Commercial viability of mitigation actions improved (e.g. revenues from the sales of credit)
- Mitigation actions will be driven by market dynamism/private sector
- Global Carbon Market will function as finance and technology transfer mechanism

# Incentive for Registry

## 3) Reduction of Global Mitigation Costs

- Cost of mitigation
  - few~\$20 for developing countries
  - \$153~\$234USD for developed countries
- Global trading system which includes developing countries could reduce global mitigation cost by **70%** (Key Elements of a Global Deal on Climate Change : Nicholas Stern)



# Incentive for Registry

- 4) Gradual development of transparent MRV system in developing countries
- 5) Contribution to Adaptation
  - Certain share of proceeds can be allocated to Adaptation and Climate Fund
  - 4 issues of Bali Roadmap could be positively addressed

# Comparison to other approaches

## ❖ vs. Binding Target Approach

- No need for almost impossible negotiation on setting targets
- More likely to promote better MRV system in developing countries

## ❖ vs. Funding Approach

- More likely to draw more investments from private sector into mitigation actions in developing countries
  - ✓ Funding approach is focused on mobilizing finances from government, which have very limited resources

# Issues for Operationalization

## ❖ What is the difference with CDM?

### ➤ Demand Side : Who will buy NAMA credits?

- Annex I : deeper cut/relaxing complementarity

### ➤ Supply Side : Enhanced CDM

- Wholesale approach for CDM, program CDM, etc
- Can build on existing rules of CDM, but need to enhance it in order to operate as a global mechanism

# Issues for Operationalization

- ❖ How to Operationalize Credits for NAMA
  - Agree on principle by Copenhagen
  - Work out details after 2009

# Thank You

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