



## How are INDCs and NAMAs linked?

A discussion paper on the links between INDCs, NAMAs and LEDS  
by the GIZ TUEWAS NAMA Working Group in collaboration with the  
UNEP DTU Partnership



# How are INDCs and NAMAs linked?

A discussion paper on the links between INDCs, NAMAs and LEDS by the GIZ TUEWAS NAMA Working Group in collaboration with the UNEP DTU Partnership

July 2015

# Imprint

## Published by

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH  
Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn, Germany  
T +49 6196 79-0  
W [www.giz.de](http://www.giz.de)

UNEP DTU Partnership  
Marmorvej 51  
2100 Copenhagen Ø, Denmark  
T +45 45 33 52 50  
E [unep@risoe.dtu.dk](mailto:unep@risoe.dtu.dk)

## Responsible

TUEWAS NAMA/MM Working Group  
([anna.schreyoegg@giz.de](mailto:anna.schreyoegg@giz.de) or [tobias.dorr@giz.de](mailto:tobias.dorr@giz.de))

## Responsible

Dr. Sudhir Sharma  
([sudr@dtu.dk](mailto:sudr@dtu.dk))

## Authors

Daniela Boos, Hauke Broecker, Tobias Dorr, Heiner von Luepke, Sudhir Sharma

## Acknowledgement for Comments and Support

Shikha Bhasin, Kundan Burnwal, Stephan Hoch, Mathias Honegger, Steffen Menzel, Axel Michaelowa, Philipp Munzinger, Alexandra Neubert, Frauke Röser, Enrico Rubertus, Anna Pia Schreyoegg, Friedel Sehlleier, Xander van Tilburg, Klaus Wenzel, Sebastian Wienges, Inga Zachow

## Designer

Mayank Bhatnagar

## Photography

Tobias Dorr

July 2015



## How are INDCs and NAMAs linked?

A discussion paper on the links between INDCs, NAMAs and LEDS by the GIZ TUEWAS NAMA Working Group in collaboration with the UNEP DTU Partnership

### Authors

Daniela Boos, Hauke Broecker, Tobias Dorr, Heiner von Luepke, Sudhir Sharma

The findings and conclusions expressed in this document do not necessarily represent the views of the GIZ, UNEP DTU Partnership BMZ, IKI/BMUB or other supporting Ministries. The information provided is without warranty of any kind. The authors accept no liability whatsoever to any third party for any loss or damage arising from any interpretation or use of the document or reliance on any views expressed therein.

# Contents

Introduction	Page 1
<hr/>	
Background: Evolution of climate change architecture	Page 3
– Pre-2020	Page 3
– Post-2020	Page 4
<hr/>	
Concept fact sheets	Page 5
– NAMAs	Page 5
– LEDS	Page 6
– INDCs	Page 7
– Overview of mitigation concepts	Page 8
<hr/>	
Analysis	Page 10
– Are INDCs and NAMAs different?	Page 10
– How could the NAMA process in countries be leveraged for INDC preparation and implementation?	Page 11
<hr/>	
Illustration of the relationship between NAMAs and INDCs on the basis of a country's energy efficiency programme	Page 13
<hr/>	
Key recommendations to policy-makers	Page 15
<hr/>	
References	Page 16

# Introduction

In light of the urgent need to hold the increase in global average temperature below 2°C above pre-industrial levels, the 17th Conference of the Parties (COP17) to the United Nations Climate Change Convention (UNFCCC) agreed upon the negotiation of a comprehensive climate regime, including all Parties, by 2015. While the exact form and scope of the new climate agreement is still under negotiation, the initiated process presents an opportunity to assess and review past commitments and pledges to increase short-term ambitions in the run up to 2020 and to initiate process to increase collective emission reductions in the long-term for post-2020 period.

The 19th Conference of the Parties (COP19) to the UNFCCC called upon every member state, regardless of its development status, to prepare an ‘intended nationally determined contribution’ (INDC) for the post-2020 period by the end of the first quarter of 2015<sup>1</sup>. The scope of such INDCs was undefined, but the intent was to initiate national processes to define mitigation targets and goals at a relatively early stage. They were also intended to give a first overview of whether the aggregate efforts of the Parties’ contributions to mitigate greenhouse gas (GHG) emissions are significant enough to minimise the global average temperature increase and whether they are consistent with the latest scientific findings of the 5th Assessment Report of the IPCC<sup>2</sup>. At the COP19 in Warsaw, member states also agreed to submit a draft decision on INDCs to the COP20 in Lima, Peru as a basis for Parties to submit their INDCs. The information provided to the countries should increase the clarity, transparency and understanding of the INDCs in order to enable an assessment of the collective efforts. All countries are expected to

participate in the global effort, albeit in line with their respective capabilities and responsibilities, but also in relation to what they perceive as fair and ambitious.

The COP20 in Lima resulted in the so-called ‘Lima Call for Climate Action’ which comprises different options for a draft negotiating text. With regards to INDCs, the document clarifies that Parties are also invited to “consider communicating their undertakings in adaptation planning or [...] an adaptation component”<sup>3</sup>. Previously, the scope of INDCs was left open and many understood INDCs solely as a tool to communicate mitigation targets/goals only. The formerly envisaged concept of providing more detailed up-front information on the INDCs (COP19, Warsaw) was replaced by a short paragraph listing suggestions for information that could be part of a country’s INDC. The content, format and level of details of the INDCs are left up to the individual member states to decide, which makes a comparison between the different INDCs difficult. While it might be perceived as an obstacle that clear guidelines for INDCs preparation are missing, the experiences and lessons-learned gained through NAMAs and LEDS development might provide valuable assistance in order to develop transparent INDCs.

The Ad hoc Durban Platform (ADP) negotiations at a forum held in February 2015, limited the “different options for a draft negotiating text” to one, on the basis of which the COP21 in Paris will convene. In regards to INDCs, the text<sup>4</sup> still leaves many options open in regard to technicalities and which group of countries should aim at what level of mitigation, thereby reflecting the various positions of the negotiating groups and Parties to the UNFCCC.

---

<sup>1</sup> The decision text calls for submission ahead of the COP in 2015, and by the end of the first quarter of 2015 for those who are in position to do so.

<sup>2</sup> UNFCCC, 2014a

<sup>3</sup> UNFCCC 2014b

<sup>4</sup> UNFCCC, 2015

Many developing countries are currently preparing and implementing Nationally Appropriate Mitigation Actions (NAMAs) as part of their national efforts to address climate change. NAMAs are mitigation actions taken in the context of sustainable development which are measurable, reportable and verifiable (MRV). They can be supported through financial resources, technology transfer and capacity building from the international community. When NAMAs were first introduced at the COP13 in Bali in 2007, the Parties' aim was to increase mitigation activities in developing (non-Annex I) countries. The Cancun Agreement (decided at COP16 in Cancun) also encouraged the Parties to develop low emission development strategies (LEDS) to identify sustainable pathways for decoupling sustainable economic growth from GHG emissions. Today, LEDS are no longer explicitly mentioned in UNFCCC decisions, but countries still refer to their overall low-carbon, long-term

pathways development trajectories as LEDS, and they therefore continue to play a role. The authors hence perceive LEDS as still relevant due to their long-term nature and strategic importance in defining country-specific mitigation options embedded in sustainable development trajectories and decided to include them in this discussion paper.

The discussion of these concepts raises questions over the relationship between NAMAs, INDCs and LEDS and policy makers demand clarification on the concepts and their respective linkages.

The objective of this discussion paper is to look at the debate on INDCs from a **mitigation-perspective**<sup>5</sup>.

It aims to discuss the framework set out above in a pre- and post-2020 context, highlighting the political, technical and institutional facts on NAMAs, INDCs and LEDS, analyse their linkages and finally conclude with a set of key messages.

---

<sup>5</sup> Bearing in mind that many countries seek to include other aspects in their INDCs, such as adaptation, finance and technology



# Background: Evolution of Climate Change Framework

## Pre-2020

Before addressing the linkages between the concepts of INDCs with NAMAs and LEDS, it is important to first understand the evolution of mitigation responsibilities, as outlined in the UNFCCC's concept of common but differentiated responsibilities (CBDR) for reducing GHG emissions. Since the adoption of the UNFCCC, member states' responsibilities to address climate change have evolved over time as the understanding and urgency of climate change has increased (see Table 1) and since many countries have rapidly developed into newly industrialised countries. An important turning point in the discussion was COP13 in Bali, during which the Parties agreed on the Bali Action Plan (BAP) in recognition of the increasing urgency to address climate change and the increasing capability of developing countries<sup>6</sup>. The invitation to developing countries to develop their own mitigation measures was a key component of the BAP. This resulted in developing countries agreeing on the possibility to implement NAMAs. Prior to the BAP, developing countries were only encouraged to submit measures to mitigate GHG emissions in order to receive support from the Convention's financial mechanism. For instance, mitigation action taken as part of the Clean Development Mechanism (CDM) was entirely voluntary and the emission reductions were sold as offsets used by developed countries to fulfil their own mitigation targets. Prior to the BAP, there was no "obligation" for non-Annex I countries to mitigate GHGs.

In the Bali Action Plan, NAMAs were defined as mitigation actions taken in the context of sustainable development and supported by financial resources, technology and capacity development. The implicit understanding is that financial assistance for

NAMAs – particularly for those with higher capabilities – will only partly be provided by international sources. Along with international public funding, different sources of financing, including private and domestic public sources, now play a role. Thus, as opposed to developed countries, who are expected to take on economy-wide emission reduction targets with reference to a base year (under the second commitment period of Kyoto Protocol), developing countries are in the process of taking mitigation actions to reduce their emissions below a business-as-usual (BAU) scenario.

After the Copenhagen Accord and the Cancun Agreement, many developing countries submitted NAMAs or more overarching pledges to the UNFCCC Secretariat. Some developing countries, especially those with larger capacities, submitted pledges in the form of national goals, for instance a target to reduce emissions below the BAU scenario, whereas others, such as the least-developed countries (LDC), submitted a list of individual actions/policies to address GHG emissions<sup>7</sup>. Over time, the interpretation of NAMAs shifted towards a more policy- and programme-related approach, and even single projects (e.g. bus rapid transit systems (BRT) in the transport sector) are considered under the term NAMA. The understanding of NAMAs being pledges is widely acknowledged to be outdated.

Furthermore, it was anticipated that developing countries with greater capacities might also implement NAMAs using only their own resources, so-called unilateral NAMAs (see Cancun agreement), that could additionally be supported in order to achieve a more ambitious goal. For example, Indonesia has indicated that its domestic actions will contribute to a GHG emission reduction of 26% below BAU by 2020, and that if international support is made available up

<sup>6</sup> UNFCCC, 2007. Decision 1/CP.13

<sup>7</sup> See Sharma and Desgain, 2014 for more details

to 41% GHGs below BAU in 2020<sup>8</sup> could be achieved through internationally supported NAMAs. Hence, in the pre-2020 context NAMAs could be seen as nationally and voluntarily determined mitigation actions that are partially enabled through internal support.

## Post-2020

In Durban (COP17), Parties launched a new round of negotiations for a 2015 climate agreement to be adopted at COP21 in Paris under the Ad hoc Durban Platform (ADP<sup>9</sup>) to be implemented post-2020<sup>10</sup>. The new agreement will be ‘applicable to all’ implying – unlike the Kyoto Protocol which included binding emission reductions targets only for Annex I countries only – that the provisions of the new agreement will be “binding” for all Parties to the Convention. At COP19 in Warsaw, Parties to the UNFCCC agreed to prepare a draft negotiating text in 2014, covering all key elements, mitigation, adaptation, finance, technology development and transfer, capacity-building and transparency of action and support. At last, countries decided to develop and submit their INDCs, which will include actions each country will take to address climate change domestically. The main point of contention over the past year was the scope of INDCs: i.e. whether they only include mitigation actions and/or adaptation, and the means of implementation (financial assistance, technology transfer, capacity-building). Developed countries are mainly of the view that INDCs are for mitigation actions only, whereas, most developing countries (excluding LDCs) hold that INDCs need to cover all elements of climate-related action. COP20 in Lima

finally resulted in the decision that INDCs may also contain adaptation, financial assistance, technology transfer or capacity building components.

The mitigation component of INDCs is equivalent to national commitments for addressing GHG emissions over a defined period of time (5 or 10 years period, e.g. from 2020-2025 or 2020-2030). Although the new climate agreement applies to all Parties, there is an inherent understanding that it does not imply that national commitments are identical for all countries, but rather that developing countries undertake mitigation efforts in accordance with the CBDR principle. There has been no formal agreement on this yet, but a number of proposals<sup>11</sup> have been submitted, outlining that commitments could range (no explicit distinction between the two categories of countries) from quantified absolute economy-wide targets (compulsory for developed countries) to GHG intensity reduction targets or deviations from the BAU scenario (for developing countries with higher capability and responsibility), to other types of commitments, such as policy objectives, and renewable energy/energy efficiency targets for developing countries. Countries can also submit more than one goal/target, including those mentioned above to allow for realistic goals/targets and more ambitious voluntary targets, as well as short-term and long-term goals/targets.

The nature and scope of mitigation action taken by developed countries and its terminology have changed over time. The table below outlines the mitigation “commitments” of Annex I and non-Annex I countries over time.

Table 1: Development of mitigation action per group of UNFCCC member states over time.

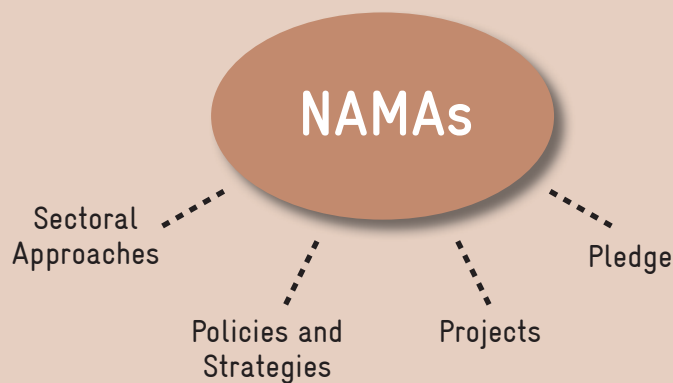
Timeline	1992 – 1997	1997 – 2010	2010 – 2020	Post 2020
Annex 1	Limit GHG Emissions	Economy Wide GHG Reduction Targets		INDC/NDC
Non-Annex 1	Take measures to mitigate emissions through CDM		NAMAs	INDC/NDC

<sup>8</sup> See GOI, 2013, for more details on the institutional set-up of NAMAs in Indonesia

<sup>9</sup> ADB has two work streams: WSI to develop a new agreement that will be effective post 2020; and, WSII to enhance the ambition of mitigation action to close the pre-2020 mitigation gap and delivery of agreed provision of USD 100 billion by 2020.

<sup>10</sup> See UNFCCC, 2012

<sup>11</sup> For instance, from the European Union: [http://unfccc.int/files/bodies/application/pdf/el-02-28-eu\\_adp\\_ws1\\_submission.pdf](http://unfccc.int/files/bodies/application/pdf/el-02-28-eu_adp_ws1_submission.pdf)



**“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.”

Bali Road Map (2007: Decision 1/CP.13, Para 1b (ii))

## Key Criteria and Facts:

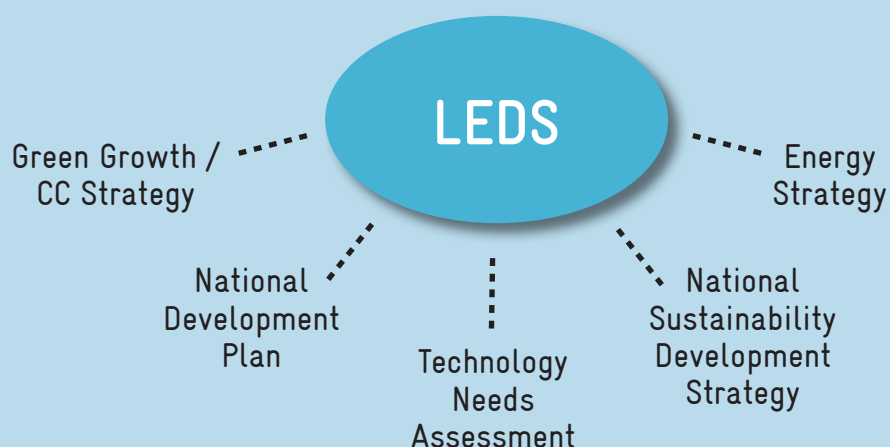
- **Voluntary actions:** NAMAs generally support sustainable development as interpreted by the implementing country
- Broad NAMA definition; defined more by experience and practice than by rules set up by the UNFCCC
- Aimed at achieving a deviation in emissions compared to 'BAU' emissions in 2020 and beyond
- **3 types of NAMAs:** unilateral, supported and credited\* NAMAs which can involve financing, technology transfer and capacity building
- Financing through domestic, bi-lateral and multi-lateral resources: public finance needed in order to mobilise private sector investment
- Accurate, complete and conservative MRV methodology crucial

\*There are no credited NAMAs so far and the concept of a credited NAMA is neither confirmed nor discussed under the UNFCCC

## 149 NAMAs and 29 feasibility studies in 42 countries\*\*

- 137 NAMAs under development
- 41% of NAMA activities in Latin America, 25% in Africa and Middle East, 24% in Asia, 10% in Europe
- 60% comprise a strategy or policy
- Main sectors addressed: Energy supply (39%), Transport (15%), Buildings (13%) and Waste (11%)

\*\*[www.nama-database.org](http://www.nama-database.org) (May 2015)



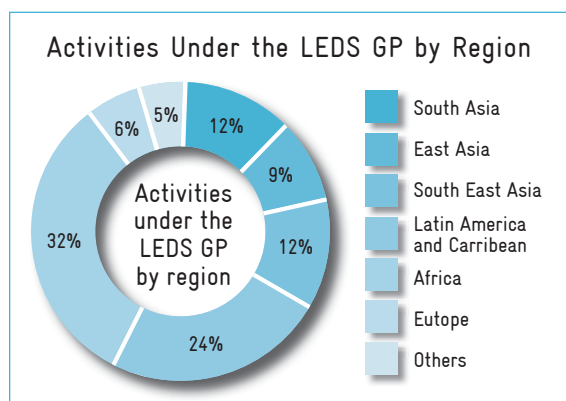
Developing countries are encouraged “to develop **Low-carbon Development Strategies or Plans** in the context of sustainable development”

Cancun Agreement (2010: Decision 1/CP.16, Para. 6)

### Key Criteria and Facts:

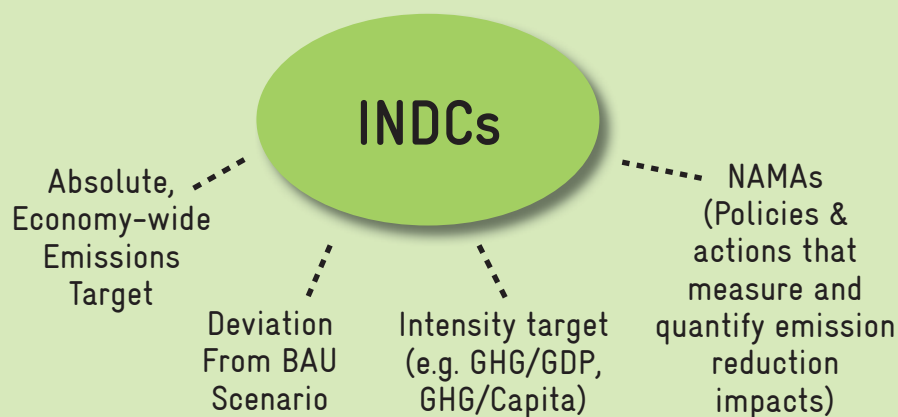
- National, high-level, comprehensive, long-term, holistic strategy developed and endorsed by countries, with the aim to decouple economic growth and social development from greenhouse gas (GHG) emissions growth; can also contain adaptation elements
- Long-term, dynamic, cyclical process that should continue for years or decades
- Should contain voluntary national mitigation commitment, e.g. emissions below BAU or base year, climate neutrality, etc.
- Basic elements:
  - Long-term strategic vision
  - Baseline GHG emissions
  - Mitigation opportunities and costs
  - Key mitigation sectors and measures
  - Identification of policies and measures

### LEDS activities under the LEDS Global Partnership in 116 countries, supported by 77 organisations\*



- Many countries with >10 LEDS related programmes
- Major topics: policies, programmes, pathways analysis and implementation, financing, GHG inventory and market analysis

\*Currently 450 activities  
([www.en.openci.org/wiki/LEDSPG](http://www.en.openci.org/wiki/LEDSPG) (April 2013))



Parties to the UNFCCC decided “to invite all Parties to initiate or intensify domestic preparations for their **Intended Nationally Determined Contributions** [...] and to communicate them well in advance of the twenty-first session of the Conference of the Parties in a manner that facilitates the clarity, transparency and understanding of the intended contributions.”

COP Warsaw (2013: Decision 1/CP.19, Para. 2b)

### Key Criteria and Facts:

- May contain a mitigation goal which **may** eventually be transformed into a legally binding mitigation commitment in the 2015 agreement
- Should be transparent, quantifiable, comparable, verifiable and ambitious
- Can also comprise elements that address adaptation, finance, technology and capacity building
- INDCs may consider fairness and the CBDR&RC principle as well as reflecting national circumstances
- Short-, medium- and long-term timeframes are possible, may involve a pledge as well as the corresponding action
- To be submitted until 1 October 2015, followed by an assessment of the aggregate level of effort and a resulting synthesis until 1 November 2015)

### Potential success factors for INDC preparation

- **Comprehensive domestic process:** e.g. cross-ministry coordination combined with consultative and research process
- **High level of transparency:** INDC related data is clearly presented to national and international actors
- **Comprehensive content:** INDC includes an overall mitigation target as well as sub-targets and activities
- **High level of ambition:** ambitious targets as inspirational goal and guiding signal for all stakeholders
- **Tracking sustainable development co-benefits** and the potential for transformational changes
- **Adequate formulation of the target:** e.g. target linked to GDP/capital/BaU scenario/ base year

\*Source: International Partnership on Mitigation and MRV (2014): Discussion Paper - Intended Nationally Determined Contributions under the UNFCCC

Table 2 provides an overview on the main international concepts related to mitigation mentioned in the above part in a synoptic way. Kindly note that the definitions and information are mostly the author's own elaborations as the official UNFCCC reference is scarce in some cases and rather found in a number of ways outside of the UNFCCC.

Table 2: Overview of Mitigation Concepts

	LEDs	MRV / Accounting	REDD+	NAMAs	INDCs
Date of Origin	2008 Copenhagen Accord	2007 Bali Action Plan	2005	2007 Bali Action Plan	2013 / 2014 Lima Call for Climate Action
Objective	Low-Emission Development Strategies are forward-looking national development plans that encompass low-emission and/or climate-resilient economic growth	Measure, Report, Verify and Accounting of data on emissions, mitigation actions and support is a concept to create transparency and enhance confidence among Parties	Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries	Nationally Appropriate Mitigation Actions are aimed at achieving a deviation in emissions relative to business as usual emissions in 2020 and beyond	Intended Nationally Determined Contributions submitted by all Parties aim at tracking progress and achieving a collective and progressive ambition level sufficient to limit global warming to below 2°C relative to pre-industrial levels
Time Frame	Long-term strategy over several decades (15–30 years)	Development and implementation pre-2020 (no UNFCCC decision)	Development and implementation pre-2020 (no UNFCCC decision)	Development and implementation pre-2020	Development pre-2020; Implementation starting 2020 with undefined end year
Scope of Activities	LEDs can comprise any national mitigation activities, strategies, policies, programs and projects aiming at GHG mitigation and sustainable development in all sectors	All measures which states take to collect data on emissions, mitigation actions and support, to compile this information in reports and inventories, and to subject these to some form of international review or analysis	a) Reducing emissions from deforestation; b) Reducing emissions from forest degradation; c) Conservation of forest carbon stocks; d) Sustainable management of forests; Enhancement of forest carbon stocks	NAMAs can comprise pledges, strategies, policies, programs and projects aiming at GHG mitigation and sustainable development in all sectors	<ul style="list-style-type: none"> <li>• Many different types, with no sectoral restrictions;</li> <li>• Shall include a mitigation goal that can be submitted as different types (e.g. economy-wide emission target, intensity target, set of policies and actions);</li> <li>• Can include adaptation</li> </ul>
Political Level	National, high-level strategy that is developed by domestic stakeholders	International, national, regional and local	International, national, regional and local	National government, possibly in cooperation with regional or local authorities	a) Politically driven top-down process b) Technically driven bottom-up process

Continued on Next Page >

	LEDs	MRV / Accounting	REDD+	NAMAs	INDCs
Sectoral Scope	Not restricted	Not restricted	Forestry, agriculture and other land use sectors	Not restricted	Not restricted
Financing Sources	Domestic budget and International support	Domestic budget and International support	a) Results based finance (mostly through funds) b) Domestic budget & resources (incl Private investments) c) Bilateral support	a) Multilateral funds b) Unilateral NAMAs c) Inter-nationally supported NAMAs d) Credited NAMAs (So far not under UNFCCC discussion)	a) Domestic Budget (unconditional INDC) b) International support (conditional INDC)
Technical Requirements	Technical requirements for data collection and analysis, establishment of baseline and GHG-scenarios, identification of mitigation options and policies, the prioritization of options and the development of detailed implementation roadmaps	Depends on subject of MRV: availability of data and information related to mitigation actions	Technical requirements for FREL/FRL and MRV to receive results based finance and report to UNFCCC	General, official guidelines for the MRV of NAMAs are to be developed by the Parties to the UNFCCC  Accurate, complete, conservative MRV methodology, especially in the case of internationally supported NAMAs	Technical requirements for upfront information to quantifiable information on the reference point (including, as appropriate, a base year), time frames and/or periods for implementation, scope and coverage, planning processes, assumptions and methodological approaches incl for estimating and accounting for GHG emissions and removals
Legal Character	Not prescribed	<ul style="list-style-type: none"> <li>Depending on national agreement regarding legal character of MRV</li> <li>Internationally: national reports and/or the timetable for their submission shall be in accordance with the principle of common but differentiated responsibilities</li> </ul>	Legal character is not prescribed by the UNFCCC: <ul style="list-style-type: none"> <li>Reference to anchoring REDD+ in a set of policies and measures by countries, that include the legislation</li> </ul> Implementation of this requirement differs widely from country to country	NAMAs are voluntarily: <ul style="list-style-type: none"> <li>BAP remains unspecific on the definition and further indications of NAMAs</li> <li>Concept of NAMAs is rather defined by experience and practice than by rules set up by the UNFCCC</li> </ul>	<ul style="list-style-type: none"> <li>Feeds into an eventually legally binding mitigation commitment under the 2015 agreement;</li> <li>Must be transparent, quantifiable, comparable, verifiable and ambitious</li> </ul>



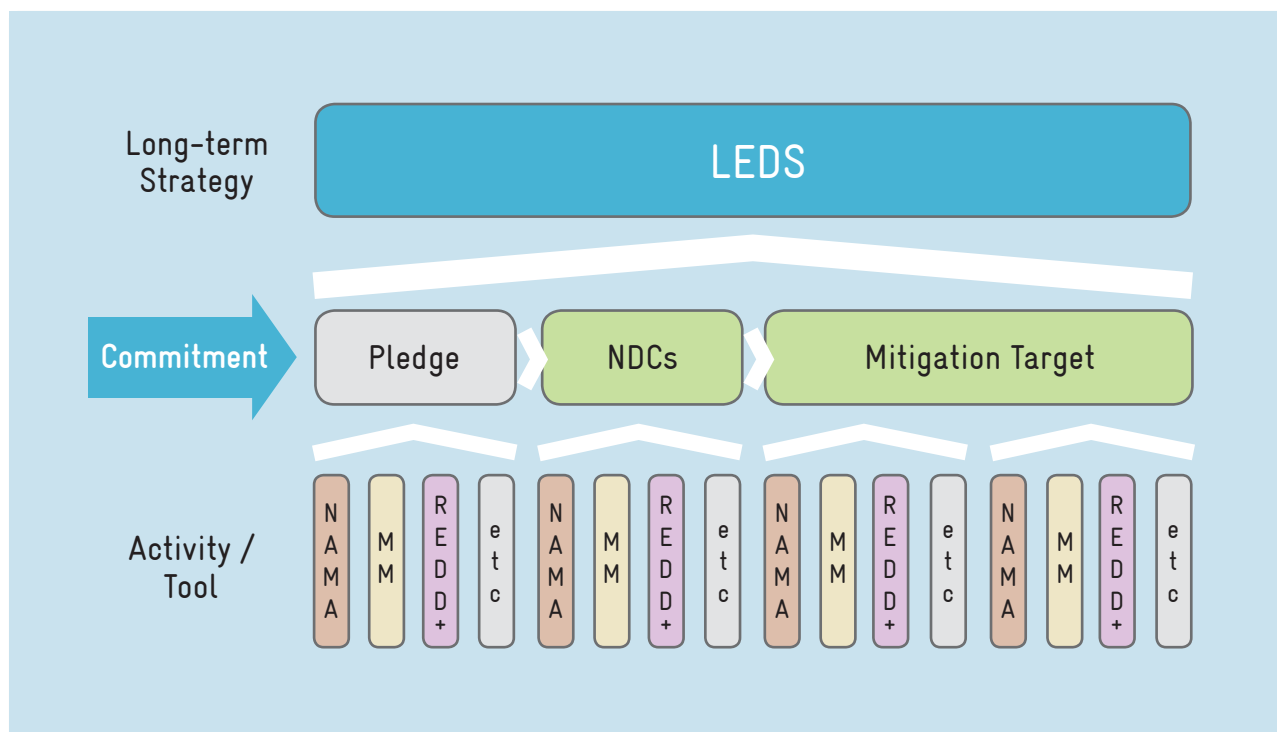
## Are INDCs and NAMAs different?

- In the Cancun Agreement, NAMAs were seen as mitigation actions taken by developing countries in line with their capacities and national circumstances. NAMAs, in this context, were mainly interpreted as a developing country's pledge to address its GHG emissions in line with its capacities, for instance the Mexican pledge to reduce GHG emissions by 36% below BAU<sup>12</sup>. After COP17 in Durban, the meaning of NAMAs changed, and since then the term is frequently used for policy instruments to implement specific mitigation actions. INDC can be understood as a medium- to long-term goal or

target, similar to the Copenhagen pledges submitted by developing countries after the Copenhagen and Cancun COPs. According to the current understanding of NAMAs as a policy instrument, they can serve as an implementation tool that translates the short- and medium-term goals into action plans for implementation.

- Country-specific pledges<sup>13</sup> applied the principle of common but differentiated responsibility (CBDR). Thus, developing countries with advanced capabilities submitted their mitigation goals in the form of economy-wide goals (reduction below BAU, reducing national GHG intensity, etc.). Other developing countries expressed their mitigation goals as a collection of policies/programmes/mitigation activities. This approach is similarly reflected in

Fig. 1: Relationship of LEDS, INDCs and NAMAs as well as other mitigation actions



<sup>12</sup> For further explanations see Sharma and Desgain, 2013

<sup>13</sup> UNFCCC, 2011



the current discussions on differentiation based on the different responsibilities and development status of developing countries in terms of their INDC preparation. Thus, the principle of ‘national appropriateness’ at the core of NAMAs actively reflects the CBDR principle and demonstrates differentiation in terms of mitigation action levels (e.g. targets vs. policies/activities) and is now embedded in INDCs as well.

- Similarly, the mitigation component of an INDC, which will be applicable for the 2020-2025 or 2020-2030 period, should contain nationally determined actions in line with each country’s capabilities and circumstances to address national GHG emissions. After the COP20 in Lima, countries are free to choose the range, level of detail and format of their INDC submission since no minimum parameters were agreed upon. Ideally, INDCs should be a comprehensive measure to embrace the different (planned) mitigation elements, plans and strategies and therewith consolidate the ambition from LEDS, NAMAs and/or other efforts, such as REDD+. In this context, INDCs should be aligned with national development planning and respective mitigation actions. Hence, it can be seen as a medium-term goal/target for implementing a LEDS (if the respective country has a long-term goal in the form of a LEDS).

- Thus, the nature of the relationship between NAMAs and INDCs can be summarized as follows (see also Figure 1): existing pledges made by developing countries under the UNFCCC after the Copenhagen Accord can be the basis for the mitigation component of a country’s INDC. They should contain enhanced mitigation ambitions. INDCs should be aligned with the member state’s LEDS (if applicable) and facilitate its implementation. At the same time, INDCs form an umbrella for NAMAs when they are used as policy instruments and implementation tools to achieve the set mitigation targets. This relationship is displayed in Figure 1, in which the various efforts of a member state, such as NAMAs, market mechanisms (MM), REDD+ or others, feed into a pledge or INDC which ultimately informs the long-term vision of a LEDS. Naturally, this is only one representation and other constellations are possible. INDCs will be applicable for a period from 2020 to 2025 or 2020 to 2030. Hence **intended** nationally determined contributions become nationally determined contributions.

## How can the NAMA process be leveraged for INDC preparation and implementation?

- National capacities (institutional or individual) to develop and implement mitigation actions through NAMAs can assist countries in preparing INDCs.
- The processes used by developing countries to determine their pledges for the pre-2020 period can be a starting point for preparing INDCs if the NAMA development shown a good level of political support. Some countries used a top-down approach to identify individual NAMAs, while others used a bottom-up approach:
  - Top-down: LEDS -> NAMA as pledge -> implementation NAMA,
  - Bottom-up: NAMA as pledge designed based on sectors/local governments identifying the mitigation opportunities.
- Increased domestic efforts, for instance through unilateral NAMAs, are probably the most relevant contribution to increase mitigation ambition in the pre-2020 period and in the post-2020 period under a new climate agreement. The pioneering role that emerging economies, like China or India, can play in ambitious domestic action is significant. International support provided through different funding schemes and technical support can upscale the domestic mitigation ambition in the case of emerging economies, and provide substantial contributions to parties with less capabilities.
- As part of the identification, development and implementation of specific mitigation actions, member states have developed national approaches for NAMA preparation and implementation. These could facilitate the identification of other, possibly more ambitious opportunities and potentials for mitigation, as well as feeding into the preparation and submissions of INDCs.
- INDCs can be in the form of goals/targets. Member states can make use of NAMAs as implementation tools to achieve these goals/targets. Thus, the MRV systems developed and implemented for NAMAs

might also enable countries to transparently report on progress of implementing actions to achieve the goals of INDCs. Synergies with the preparation of Biannual Update Reports (BUR) and Parties' National Communications (NATCOM) should be explored.

- The call for the development of NAMAs and the respective momentum that was created has increased developing countries' ambitions in the field of sustainable development, leading to the identification of mitigation actions that reflect national circumstances. INDCs may be implemented through NAMAs and boost their development and implementation in the case of economy-wide or sectoral targets. Many of the planned NAMAs may be implemented over a timeframe beyond 2020, as they are often framed in a way that enhances the long-term, transformational process of a sector. The institutional landscape, national climate policies and domestic action should be maintained and built upon in the context of INDCs.
- It is expected that all developing countries will receive support for achieving parts of the goals/targets outlined in an INDC. However, this depends on each member state's development level and

capacities, as well as the respective donor's (bilateral or multilateral) choice. Furthermore, developing countries with higher capabilities may outline goals/targets in their INDCs in addition to those that they can implement using domestic resources. The clear articulation of goals/targets that require international support prevent double accounting in this regard. A number of innovative funding streams are emerging and Parties are invited to submit project proposals that have transformative potential. However, clear globally agreed criteria are required in order to select activities for support and those that should be undertaken domestically.

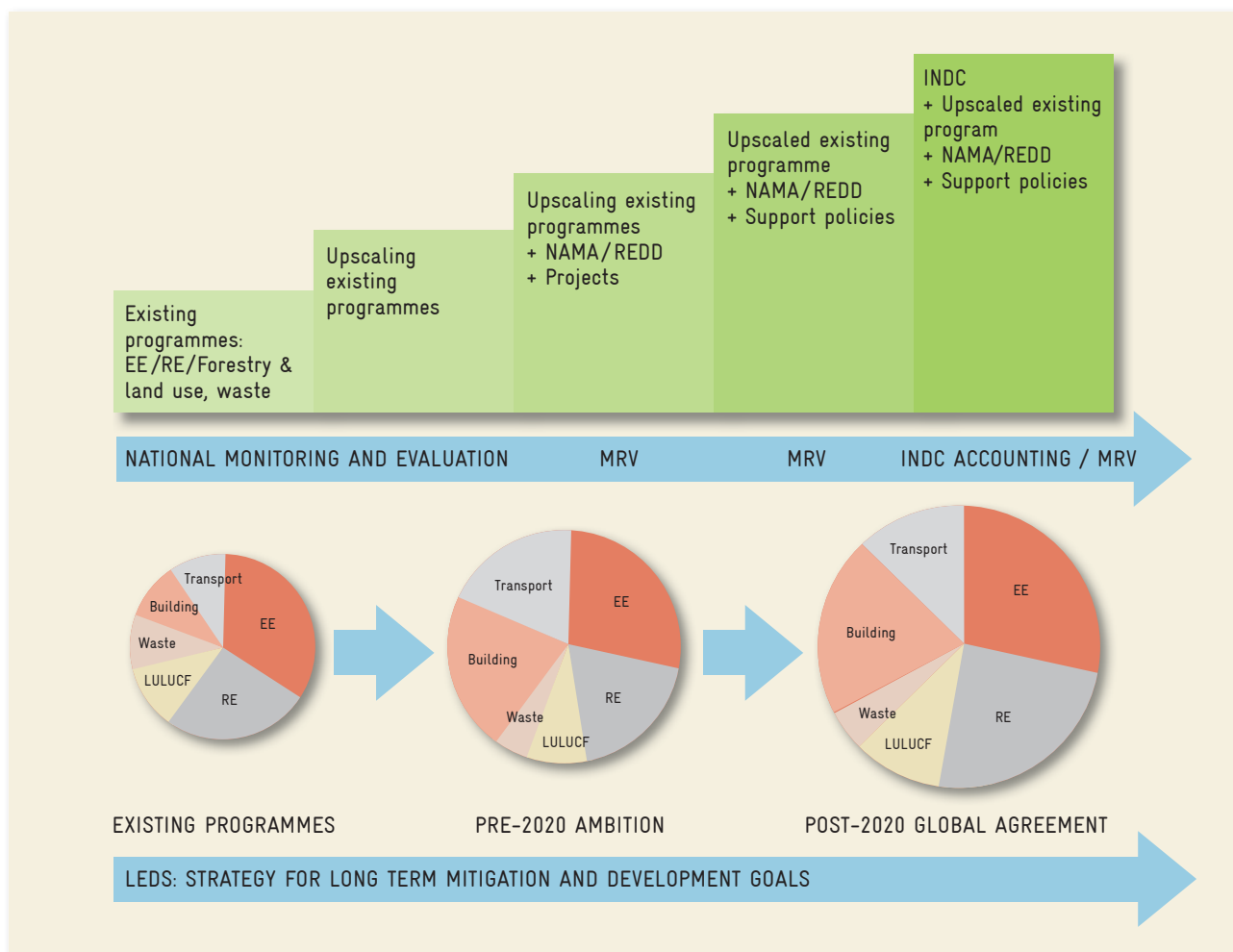
- The coherence of plans and ambitions can be assessed internationally, but comparing them remains a major challenge due to varying interpretations of INDCs, format differences and unclear measures for assessing ambition.
- INDCs provide the opportunity to follow a more integrated approach by aligning past commitments and actions through LEDS, NAMAs and REDD+ activities. In this context, INDCs can enhance coordination on climate change at the national and sub-national level.

# Illustration of the Relationship Between NAMAs and INDCs on the Basis of a National Energy Efficiency Programme

As outlined above, in the context of LEDS, NAMAs and INDCs, LEDS represent a long-term strategy that contains long-term mitigation and development goals and sets out the strategic framework for a country's mitigation policies and actions. Within this framework, a country develops different sectoral sets of programmes and activities with a potential for GHG mitigation and designs national monitoring and evaluation systems. The mitigation effect can be enhanced by scaling up existing programmes

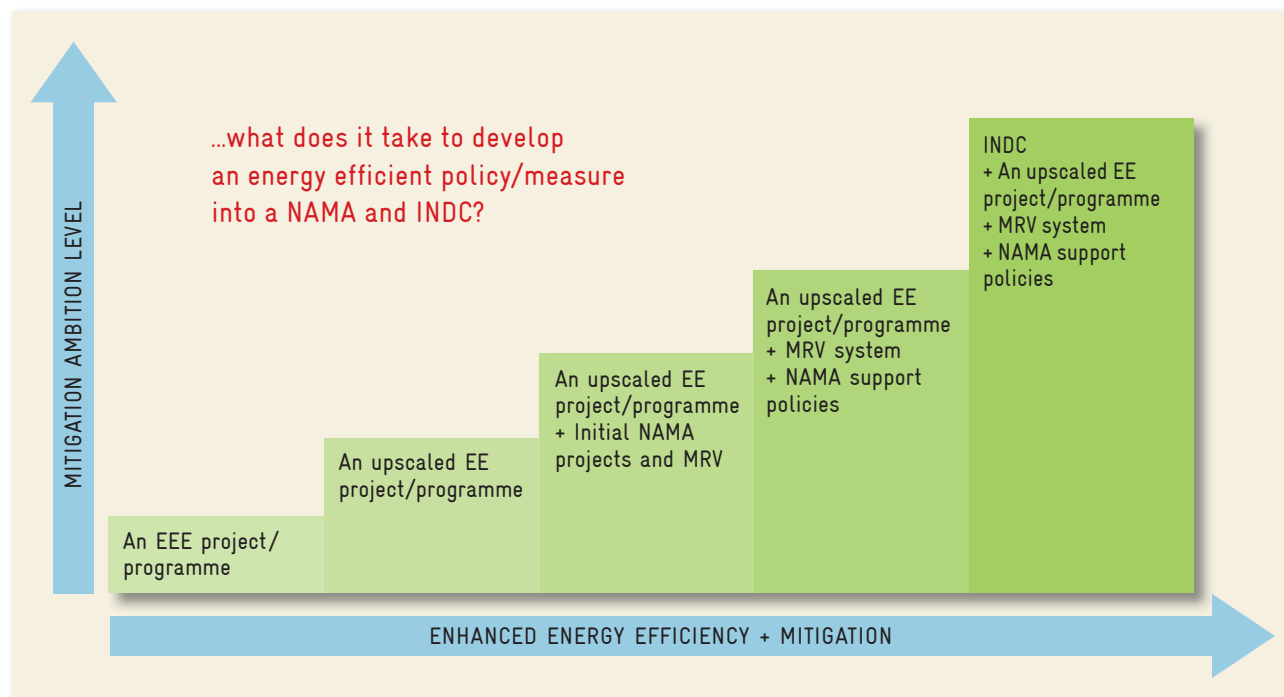
and applying various instruments, such as NAMAs, REDD+ and corresponding support policies. Finally, by defining an INDC, all these instruments are aggregated and leveraged towards a country's mitigation target, which should ideally have a higher aggregated mitigation effect when all the related sectors are included (see Fig. 2). Correspondingly, MRV systems will have to be developed further in order to monitor the INDC implementation process.

Fig. 2: Expanding programmes can lead to increased ambition



The transition from existing sectoral programmes and activities to an INDC with aggregated GHG reduction effects and a more ambitious mitigation level is shown below using the fictitious example of a public lighting programme in the energy efficiency sector (see Fig. 3):

Fig. 3: A national energy efficiency programme to illustrate the relationship between domestic action, a supported NAMA and an INDC



- It can start with a basic energy efficiency programme, such as a public lighting programme, in which LED light bulbs are used to replace conventional bulbs that are less energy efficient. This requires limited public funding and human and institutional capacities, and is implemented based on the Government's policies to increase energy efficiency, modernise of street lighting and reduce expenditures on energy. In terms of the development of climate mitigation policy, this can be a baseline scenario, since the intervention is not based on a climate policy perspective.
- If the basic energy efficiency programme is scaled up, for example by expanding the programme to other regions and local Governments (second column on the left), then the accumulated effect and impact in terms of increased energy efficiency and reduced GHG emissions (mitigation impact) is higher than pre-scale up. However, implementation is mainly based on national energy security concerns and related energy efficiency policies and programmes, rather than climate policy interventions.
- The third column shows a scenario in which the ongoing energy efficiency programmes are enhanced further through initial NAMA projects, implemented

with the objective of boosting energy efficiency through improved public street lighting from a climate policy perspective. This means that energy efficiency is not only enhanced for energy security and cost concerns, but also with a view to further reducing GHG emissions. An associated MRV system is developed in order to measure and report on the GHG emission savings.

- If the Government now decides to transform the NAMA initiative from the project level into a sector-wide approach by introducing appropriate policies (for example through a carbon labelling system for street lighting or a specific target standard for energy efficiency in different regions and local Government), the accumulated mitigation effect will be even higher.
- The column on the far right is the INDC scenario, in which the country decides to scale up its efforts in the energy efficiency sector in combination with energy security targets and explicit climate mitigation targets. This INDC would be a significant step forward in terms of the increasing ambition levels involved, compared to just expanding the NAMA initiative. This INDC would be communicated to UNFCCC in the context of the expected global climate change agreement as a result of the COP21.

# Key Recommendations to Policy-Makers

**1.** INDCs do not replace NAMAs or LEDS. On the contrary, they bring them into a national context and integrate them. LEDS identify a country's long-term perspective, while INDCs and mitigation targets/goals indicate a country's ambition and expected global contribution post-2020. NAMAs are a key tool for implementing GHG reductions, while also contributing to sustainable development pre- and post-2020.

**2.** INDCs are a vehicle for countries to define and communicate their goals/targets for mitigation (and adaption, if wanted):

a. In the case of developed countries, these would most likely be in the form of absolute economy-wide, sector-wide or GHG-specific reduction targets.

b. Developing countries with higher capabilities will most likely take on economy-wide goals, such as reductions compared to the BAU scenario or GHG intensity reductions compared to a base year.

c. Other developing countries will most likely pursue policy/sectoral goals to facilitate the estimation of the impact of emission reductions.

**3.** National capacities and institutions that were built up for the identification, development and

implementation of NAMAs, including MRV, should be utilized to develop INDCs and implement suitable mitigations actions.

**4.** MRV of INDC will not necessarily constitute an additional task for Parties, since it can be harmonised with existing reporting schemes, such as BURs or NATCOMs.

**5.** The level of ambition contained in the submitted INDCs will likely depend on the availability and allocation of international climate financing. However, the member states themselves should be in control of the process and should demonstrate this by taking unilateral action. In this regard, it is expected that many INDC will entail both an unconditional and a conditional target that clearly identifies where and how international support is needed. The transformative potential of a specific sector/measure under an INDC will most likely play a key role in terms of attracting international funding.

**6.** An appropriate and clear national process with regards to leadership and responsibilities is crucial for the preparation of INDCs. It should combine cross- and inter-ministerial consultations with (public) advisory services and research.

# References

GOI, 2013, Indonesia's Framework for Nationally Appropriate Mitigation Actions. Government of Indonesia.

Sharma, Sudhir and Desgain, Denis, 2014, Nationally Appropriate Mitigation Action: a NAMA cycle. UNEP Risø Centre.

UNFCCC, 2011, Ad Hoc Working Group on Long-term Cooperative Action under the Convention "Compilation of information on nationally appropriate mitigation actions to be implemented by Parties not included in Annex I to the Convention" FCCC/AWGLCA/2011/INF.1.

UNFCCC, 2014a, DRAFT TEXT on ADP 2-6 agenda item 3 Implementation of all the elements of decision 1/CP.17 "Intended nationally determined contributions of Parties in the context of the 2015 agreement". ADP.2014.7.DraftText.

UNFCCC, 2014b, "Lima call for action", Decision 1/ CP.20.

UNFCCC, 2015, Ad Hoc Working Group on the Durban Platform for Enhanced Action Second session, Part 8, Geneva, 8–13 February 2015 "Negotiation Text" FCCC/ADP/2015/1.







## Published by

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH  
Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn, Germany  
T +49 6196 79-0  
E [info@giz.de](mailto:info@giz.de)

UNEP DTU Partnership  
Marmorvej 51  
2100 Copenhagen Ø, Denmark  
T +45 45 33 52 50  
E [unep@risoe.dtu.dk](mailto:unep@risoe.dtu.dk)