



LOW EMISSION CAPACITY BUILDING PROGRAMME

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ALSO IN THIS ISSUE

POLICY UPDATES: MRV 2

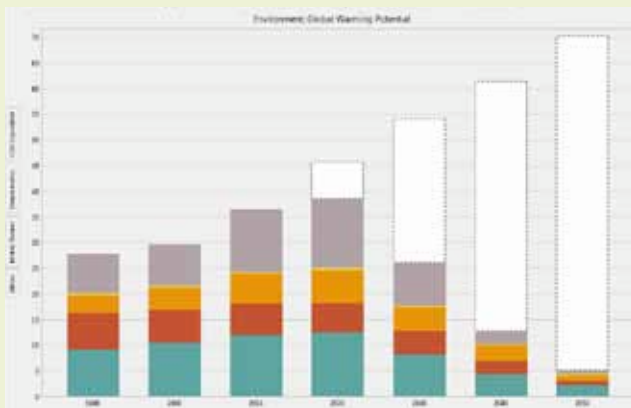
DEFINING NAMAs 2

COUNTRY SPOTLIGHT: KENYA 4

Jump-starting the scenario development process

Developing countries can face technical challenges at the national level when deciding on or planning the most appropriate course of development action to address mitigate greenhouse gas (GHG) emissions. One of the key challenges relates to securing the funding required to implement mitigation options. For instance, challenges will arise when countries attempt to upscale mitigation actions through the implementation of Nationally Appropriate Mitigation Actions (NAMAs), which may require complex financing and implementation schemes.

A first step in aiding technical prioritization of NAMA options is the use of reference scenarios. These scenarios can be useful tools for predicting and quantifying the outcome of a decision for moving forward with a particular NAMA. However, they are often the result of disjointed and sporadic consulting mandates rather than fruits of a country's sustained capacity. This often hinders their use for planning processes that are critical for up-scaling GHG mitigation efforts.



- "Avoided vs Baseline"
- Biomass
- Coal and Coal Products
- Crude NGL and Feedstocks
- Natural Gas
- Non Energy
- Oil Products

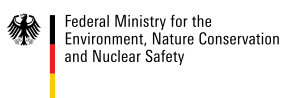
The UNDP's Low Emission Capacity Building (LECB) Programme and the Stockholm Environment Institute (SEI) have teamed up in an effort to provide a basic process which will support the development of this much-needed capacity for using reference scenarios. The SEI's LEAP software has been used to generate preliminary reference scenarios for 22 of the countries participating in the LECB Programme, using international sources of data. (The figure above provides an example of the outputs from the LEAP software.) This jump-starting exercise has served to produce preliminary scenario reports and data sets, as well as to establish a process for doing so. It is important to note that a number of the LECB countries have developed such scenarios in the past or are currently preparing sophisticated baseline scenarios, using different approaches. In these countries, the national LECB teams may decide to use the UNDP-SEI scenarios as another option to develop country-specific scenarios for comparison purposes. This comparison could provide useful inputs for discussions on assumptions, emission factors, and emission trends

Scenario: A plausible and often simplified description of how the future may develop, based on a coherent and internally consistent set of assumptions about driving forces and key relationships. Scenarios may be derived from projections, but are often based on additional information from other sources, sometimes combined with a narrative storyline.

Baseline/reference: A baseline is a plausible and consistent description of how a system might evolve into the future in the absence of explicit new GHG mitigation policies, e.g. a non-intervention or "business-as-usual".

Mitigation scenario: A reflection of future scenarios in which explicit policies and measures are adopted to reduce the sources (or enhance the sinks) of GHGs.

(Definitions adopted from IPCC and UNFCCC CGE Training Materials)



Low Emission Capacity Building Programme is supported through generous contributions by the European Commission, the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the Australian Department of Climate Change and Energy Efficiency, and AusAID.

among others. For countries with none or limited scenarios work, the UNDP-SEI scenarios can then be used as the starting point for scenario development, by using country data, adjusting assumptions as needed, and using expert inputs on the scenario development. Thus, the UNDP-SEI scenarios provide a flexible approach to support country's efforts for their mitigation analysis and NAMA development under the LECB programme.

The LEAP software aids in energy planning and determining climate change mitigation options. Each data set pertains to a single country and covers energy and non-energy sector emissions based on historical data (for 1990-2009) as well as on a relatively simple draft baseline scenario that runs from 2010 to 2040. Yet, since the international data sets used do not always accurately reflect a country's circumstances, countries are asked to focus more on the process involved than on the specific scenario report results. After exploring how a scenario development process might be implemented in each country, national experts should then review the process, resulting data, assumptions, and methods used. The aim is to establish a process through which not only are the scenarios themselves improved, but scenario development capacities within a country's institutions mature as well.

As such, in addition to testing the LEAP software, UNDP is inviting the participating LECB countries to provide feedback on likely sources and means of collecting the needed domestic data, as well as the identification of already existing domestic data sources and reporting processes. This feedback will help each country shape its own particular domestic processes for periodically generating reference scenarios.

POLICY UPDATES

MRV, NAMAs, BURs, ICA – demystifying the alphabet soup

Although the concept of NAMAs was devised and agreed in Bali in 2007 and two broad categories of support recognized in Cancun (see sidebar/box), there has been no more specific definition developed in terms of scale, scope, etc. NAMAs proposed to date by developing countries range in scale and scope from national and sectoral targets, to local programmes and policies.

In one sense, NAMAs are therefore nothing new. However, much attention is being paid to them because they are seen as having the potential to become an important instrument in encouraging large-scale emissions reductions in developing countries, while in parallel enabling countries to develop sustainably and in line with national circumstances. One benefit of the broad definition of NAMAs is that it allows any developing country – regardless of capacities or level of contribution to global GHG emissions – to participate.

The emphasis on measuring, reporting, and verifying (MRV) is a central tenet for ensuring that not only are GHG emissions reductions occurring, but also that any technology, financing, or capacity building support is counted. This article focuses on MRV of GHGs – information on MRV of support will be the topic of a future newsletter article.

At COP17 in Durban in 2011, the guidelines for preparation of **biennial update reports (BURs)** from non-Annex I Parties were adopted. It was further clarified that these guidelines (<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>), coupled with the text on **International Consultation and Analysis (ICA)**, were recognised as fulfilling the COP16 call for guidelines on **MRV for internationally – supported NAMAs** (Decision 2/CP.17).

DEFINING NAMAs

NAMAs originated in the *Bali Action Plan* (Decision 1/CP.13) (<http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf>) in 2007, which called for “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”. In the *Cancun Agreements* adopted at COP16 in 2010 (Decision 1/CP.16) (<http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>), differentiation was made between internationally supported and unilateral NAMAs:

- **Supported NAMAs:** Actions undertaken with financial, technological and/or capacity building support;
- **Unilateral NAMAs:** Autonomous actions taken by developing countries to reduce domestic greenhouse gases; these would be domestically funded and unilaterally implemented.
- **Credited NAMAs** (linked to carbon trading markets) is a third category of NAMAs that has been discussed. However, it is important to note that this concept is more controversial and has not been agreed in UNFCCC decision text at this stage.



Mitigation plenary at UNFCCC sessions in Bangkok, August 2012

For **domestically supported** NAMAs, there is no international MRV requirement – only domestic MRV, guided by general guidelines to be developed under the UNFCCC. However, there was little advancement on this issue at the UNFCCC session in Bonn (May 2012), and no meetings of the subsidiary bodies – which is where this agenda item is being discussed - took place at the most recent Bangkok session August/September 2012

IMPLICATIONS FOR DEVELOPING COUNTRIES

The BUR is meant to serve as a summary of parts of the National Communication if the year is one when the National Communication is being submitted. Otherwise, it would be a standalone report submitted between National Communication submissions.

The scope of information to be provided in developing country BURs includes:

- a national inventory of anthropogenic GHG emissions by sources and removals by sinks;
- information on “mitigation actions” and their effects, including associated methodologies and assumptions;
- information on domestic MRV arrangements.

The BUR can also include information on national circumstances, the level of support needed and received for preparation of the BUR, as well as financial, technical and capacity needs associated with the mitigation actions.

There is quite a bit of flexibility built into the scope of the updates on national GHG inventories, allowing for variations in capacities, time constraints, data availability, and level of support made available. Generally, though, developing countries are encouraged to report a consistent time series back to the years reported in the previous National Communication. Summary tables of inventories from National Communications in previous years are also encouraged. Although not required, a technical annex may also be included to provide additional sector-specific information.

The section on mitigation actions includes, but is not limited to, what would be characterized as NAMAs. According to the guidelines, developing country Parties are to provide the following information to the extent possible:

- (a) Name and description of the mitigation action, including information on the nature of the action, coverage (i.e. sectors and gases), quantitative goals and progress indicators
- (b) Information on methodologies and assumptions
- (c) Objectives of the action and steps taken or envisaged to achieve that action
- (d) Information on the progress of implementation of the mitigation actions and the underlying steps taken or envisaged, and the results achieved, such as estimated outcomes (metrics depending on type of action) and estimated emissions reductions, to the extent possible
- (e) Information on international market mechanisms

The first **BURs** are due by December 2014, although this is flexible and based on country capabilities and level of support received¹. Moreover, this timing does not apply to Least Developed Countries or Small Island Developing States who may submit BURs at their discretion. After the first report, BURs should be submitted every two years, with the flexibility mentioned above. The first report is to cover, at a minimum, the GHG inventory for the calendar year no more than four years prior to the date of submission (i.e., for a 2014 report, this would imply 2010) or more recent years if information is available. Subsequent reports shall cover a calendar year that does not precede the submission date by more than four years. Therefore, moving forward, it is clear that countries will benefit from creating or strengthening national inventory systems in order to streamline the updating of GHG inventories.

The information contained in the BUR will be subject to an **international consultation and analysis (ICA) process**, which serves as the second main component of the international MRV process for internationally-supported NAMAs. The ICA consists of two main steps, as described in the Durban outcome (2/CP.17):

- (1) technical analysis;
- (2) facilitative sharing of views.

The first round of ICA is meant to start six months after submission of the first round of BURs. The composition, modalities and procedures for the technical experts who will conduct the technical analysis under the ICA is currently under discussion. Elements for a COP18 decision, including a nomination process for experts and training procedures for these experts, were drafted during the UNFCCC Bonn session (May 2012) but are not yet agreed. These decision elements are expected to be considered again by Parties at COP18 in Doha.

The distinction between “technical analysis” and “review” has been very important for a number of developing countries. It is made clear in the Durban decision that the technical analysis is meant to be “non-intrusive” and “non-punitive.” It is also designed to be distinct from the International Assessment and Review (IAR) process for developed countries, which is more rigorous.

The “facilitative sharing of views” will be through periodic workshops convened under the Subsidiary Body for Implementation (SBI) of the UNFCCC. Each developing country with both (a) a BUR and (b) a finalized summary report resulting from the technical analysis, at the time of the facilitative session, would be on the agenda. The sessions will be open to all Parties to hear the presentations of the countries on the agenda and to participate in Q & A sessions (they will also be able to submit questions in advance).

Again, the “facilitative sharing of views” is meant to be non-punitive. Countries are not required to revise reports or change practices based on feedback received by other Parties. The main objective is to ensure quality of the data being reported by having this transparent exchange about methodologies, data, assumptions, etc.

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¹ The Global Environment Facility (GEF) has been requested to make available support to non-Annex I Parties preparing their first BURs as early as possible in 2012 and on the basis of agreed full cost funding. In response to the COP decisions, the GEF has developed policy guidelines that lay out the eligibility for GEF support. Countries can access up to US\$352,000 through a GEF agency or via direct access to prepare the BUR. It will be financed as part of the national communications process, either as a standalone project or as a component of a national communications project. Go to: Policy Guidelines for the financing of biennial update reports for Parties not included in Annex I to the United Nations Framework Convention on Climate Change (http://www.thegef.org/gef/sites/thegef.org/files/documents/document/GEF_Policy_Guidelines_for_the_financing_of_Biennial_update_reports_for_Non-Annex_1_Parties.pdf).



COUNTRY SPOTLIGHT: KENYA

Building Upon the Climate Change Action Plan



UNDP is supporting the Kenya Tea Development Association on a CDM Programme of Activities that would develop micro-hydro generation facilities to provide clean electricity to tea factories and the grid.

In recent years, climate change activities have been supported at the highest political levels, making Kenya an example for nationally-driven processes within the LECB Programme. Kenya's preparation of the National Climate Change Response Strategy (NCCRS) in 2009/10 was supported by the Ministry of Environment and Mineral Resources, the Office of the Prime Minister, and other key ministries and government institutions. The NCCRS is Kenya's blueprint for climate change response and key to the country's endeavours to meet its obligations under the UNFCCC, the Kyoto Protocol, the Copenhagen Accord, the Cancun Agreements and other relevant multilateral environmental agreements to which Kenya is a member, and whose provisions form part of Kenya's law according to the country's 2010 Constitution.

Kenya's newly launched and actively supported Low Emission Capacity Building (LECB) Project directly contributes to, and builds upon, the country's new Climate Change Action Plan (CCAP), which elaborates

how the NCCRS will be implemented. The research undertaken within the plan's mitigation sub-component will be used to identify and develop three NAMA proposals. Findings from the MRV sub-component of the CCAP will inform decisions related to MRV for the NAMAs elaborated under the LECB. LECB is also funding the plan's technology sub-component, which will build on the outputs of Kenya's Technology Needs Assessment, funded by the GEF and implemented by UNEP. These synergies and complementary outputs clearly illustrate the symbiotic potential of LECB Programme outputs and national development plans.

In order to make these actions concrete, one outcome of the LECB Project in Kenya is to deliver a technology action plan and registry. A cornerstone of this will be the production of a synthesis assessment report on topics such as long-term climate-change technology scenarios; priorities; strategic partnerships; technology-related R&D trends, issues and programmes; technology transfer opportunities, barriers and an enabling framework; and the advancement of technology demonstration, deployment and diffusion, including local/indigenous technologies. Criteria for selecting or establishing a national technology innovation centre, building on existing initiatives, and sub-national centres, including a virtual learning platform, will also be developed.

The Climate Change Secretariat at the Ministry of Environment and Mineral Resources (MEMR) is in charge of overall LECB project coordination. The project steering committee builds on existing institutional structures and includes the Permanent Secretary of MEMR, the Director General of NEMA, the UNDP Country Director, the EU Representative in Kenya, the CEO of the Kenya Association of Manufacturers, the Kenya Cleaner Production Centre, the Ministry of Finance, the Ministry of Planning, the University of Nairobi, the Climate Change Working Group, and other key implementing partners.

Following comprehensive stakeholder consultations at all levels of government, Kenya formally launched its LECB Project at an inception meeting held 15-16 August 2012. Three working groups have been formed on national GHG inventory systems, on NAMAs & MRV, and on technology.

In many ways, the Kenyan LECB project demonstrates the kind of institutional partnering that results in support and implementation of national policies through complementary actions. Kenya is sure to produce interesting and thoughtful best practices, along with important national and regional outputs. We will continue to update readers on their progress.

Nandi Hills Tea Garden, Kenya. John Isaac/UN

LECBP GLOBAL SUPPORT NEWSLETTER

Did you miss one of the three recent LECB Webinars? Are you interested in easy-access to LECB Programme material and resources? Join the LECB Programme Global Support Unit Teamworks Space (<https://undp.unteamworks.org/node/212578>) and subscribe to our Notifications to stay up-to-date with Programme progress and events.

The Low Emission Capacity Building (LECB) Global Support Newsletter provides updates and information on a range of topics including the status of ongoing national activities, global programme updates, topical news, country highlights, project impacts and results, and noteworthy announcements.

DO YOU WANT TO CONTRIBUTE TO THIS DISCUSSION?

Contact us at lowemission@undp.org to let us know your thoughts and proposals.