# Key Principles and Objectives of MRV for NAMAs

## Latin America and Caribbean Regional Workshop

## MRV of NAMAs as a Key Element of National MRV Systems

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# Objectives of NAMAs MRV

- Basics to design NAMAs MRV system that satisfies
  - Country's reporting needs
  - Program funders' expectations
  - UNFCCC reporting requirements
- MRV in the context of NAMA objectives and reporting requirements.
- MRV approach for unilateral and supported components.
- MRV of emissions reduction and development benefits.
- Balance between emissions integrity, a pragmatic MRV system and country's capacities.

# The importance and challenges of MRV

Challenge at the program/NAMA level:

- Mitigation actions diversity
- Broad scope
- Lack of alignment between the program goals and the national priorities and LEDS
- ER and SD impacts often happen outside the scope of work of the program management entity

# The importance and challenges of MRV for SD

Sustainable Development:

- Not a single definition of SD.
- At the country level, it steps into the political space and it is considered a sovereign issue
- Each nation determines
  - National priorities and policies
  - Performance indicators on the effect of implemented policies
- For SD, NAMAs may claim SD indirect impacts too far along the value chain

# Why MRV?

- Internal and external value:
  - Progress towards objectives in the areas of emissions reductions and other development benefits social
  - Identify areas of opportunity
  - Demonstrate to external parties a level of commitment and results achieved
  - Crucial if any pay for performance scheme is expected
  - Give donor institutions the confidence that supported actions will be implemented and that climate financing is being utilize effectively

# NAMA types and MRV level

| concept | Domestically Supported | Internationally supported mitigation actions | |
|---|---|---|---|
| **NAMA type** | **unilateral mitigation actions** | **Investment support** | **ER to enter market** |
| **MRV for whom?** | National Reporting<br>Internal Control | Plus supporting Institutions | Plus regulators |
| **MRV level** | ✦Domestic MRV<br>✦MRV guidelines by the COP<br>✦Requirements by SBSTA<br>✦Focus on national circumstances and priorities | ✦Domestic MRV with international oversight<br>✦Procedures conducted with the ICA process<br>✦International MRV can be required by donors/investors. | ✦International MRV subject to be developed standards |
| **M & R** | Lower level of accuracy accepted<br>Focus on traceability | Level of accuracy to be agreed/high traceability | Low uncertainty/high traceability |

# Guiding Principles

Guiding design principles:

- Completeness
- Comparability
- Transparency
- Consistency
- Accuracy

Design to ensure reporting with:

- Acceptable level of uncertainly – incremental cost of accuracy!!

- Data Traceability

# Building Blocks for NAMA's MRV development

- **NAMA objectives** and targets.
- Geographical **scope**.
- Defining the impact **boundaries** and **effects**
- Select **methodology** for GHG estimation and calculations.
- **baselines** for key development benefits and GHG.
- Defining the **indicators** to measure the impacts.
- Identifying the **data** required to measure/estimate the impacts.
- Data collection system

## Building Blocks for NAMA's MRV development

Define **processes and procedures** for:

- Documenting Responsibilities and authorities.
- Avoid double counting.
- Non negative SD impacts.
- Ensure reliability of data collected and estimates.
- MRV plan
- Review the implemented system periodically.

# SMART goals and improvement cycle

An effective MRV system requires goals and indicators that are SMART:

- Defining SMART goals towards low carbon and SD
- Define ER performance indicators aligned with national mitigation priorities
- Define Sust. Dev. Performance Indicators aligned with sustainablitiy criteria (eg. National priorities and millennium development goals)
- Design MRV system for performance indicators
- Evaluate the implementation and monitoring of indicators according to a PDAC approach

**S: Specific**

**M: Measureable**

**A: Achievable**

**R: Relevant**

**T: Timely**

# Indicators

Financial Metrics

Technical Metrics

Process Metrics

**Quantitative Metrics**

**Qualitative Metrics**

# Examples of Quantitative and Qualitative Metrics

| Metrics | Examples |
|---|---|
| Quantitative Financial metrics | • Funds transferred from donor country<br>• Value of a renewable energy asset pool funded through specific donor finance<br>• Amount of donor funds spent on a national education programme |
| Quantitative Process metrics | • Number of energy efficiency training programmes that have been delivered<br>• Number of SMEs that have been provided funding for energy efficiency programmes |
| Quantitative Technical metrics | • Number of new trigeneration units installed in a regional grid<br>• Emission reductions in that grid compared to the baseline |
| Qualitative Process metrics | • Status of establishment of reporting system<br>• Status of institutional strengthening programme |

Source: A Primer MRV for NAMAs

# Advantages and Disadvantages of different types of Metrics

| Metric | Advantages | Disadvantages |
|---|---|---|
| Quantitative Financial metrics | Information available from donors for cross checking<br>Useful for measuring cost benefit of particular NAMA types in particular countries<br>Relatively easy to establish data and record systems<br>Relatively easy to measure, report and verify<br>Can be verified at international level | Does not directly measure GHG reductions<br>May require reporting systems throughout the NAMA participants |
| Quantitative Process metrics | Easy to establish data and record systems<br>Easy to measure, report and verify<br>Effective for ensuring activities are progressing | Does not directly measure GHG reductions<br>May require reporting systems throughout the NAMA participants |
| Quantitative Technical metrics | Useful for measuring cost benefit of particular NAMA types in particular countries<br>Systems are well elaborated in existing UNFCCC CDM modalities and procedures<br>Panel of independent national/international verifiers (DOEs) established | Relatively difficult to establish data and record systems<br>May require complex inventory systems at the national level<br>Difficult to measure, report and verify<br>Requires in country verification<br>Not applicable for many types of NAMAs |
| Qualitative metrics | Easy to establish default data and record systems<br>Based on the procedural assumptions<br>Performance relatively easy to measure, report and verify<br>Effective for ensuring activities are progressing | Does not directly measure GHG reductions<br>May require reporting systems throughout the NAMA participants |

Source: A Primer MRV for NAMAs

# ER quantification methodologies to built on

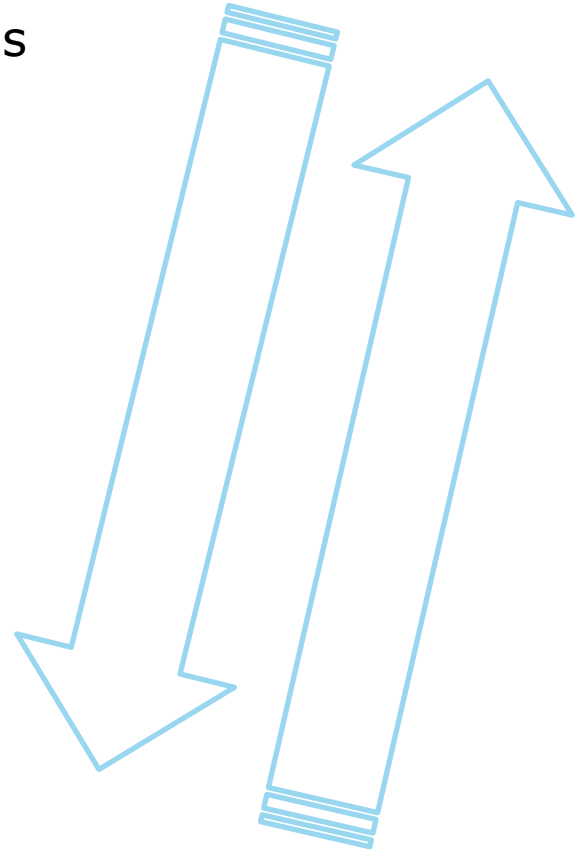
Internationally recognized methodologies/protocols
    CDM, VCS, ARC, CAR, ARB, etc.

Sector Specific GHG Accounting methods
    GHG Protocol cement, etc.

GHG accounting for Policies and Actions

Other Options:
NAMA specific meths based on others (deviations)

NAMA specific with approval process



# Sustainable Development MRV approaches to built on

United Nations Climate Change Carbon Mechanisms

CDM sustainable development tool

https://www.research.net/s/SD-tool

The Gold Standard
Premium quality carbon credits

Certification standard for carbon mitigation projects; internationally recognized as the benchmark for quality and rigor in both the compliance and voluntary carbon markets

ENVISION

Holistic framework for evaluating and rating the community, environmental and economic benefits of all types and sizes of infrastructure projects

CCAP
CENTER FOR CLEAN AIR POLICY

MRV of NAMAs: Guidance for Selecting Sustainable Development Indicators (draft)

Global Carbon Development Standard

DNV·GL

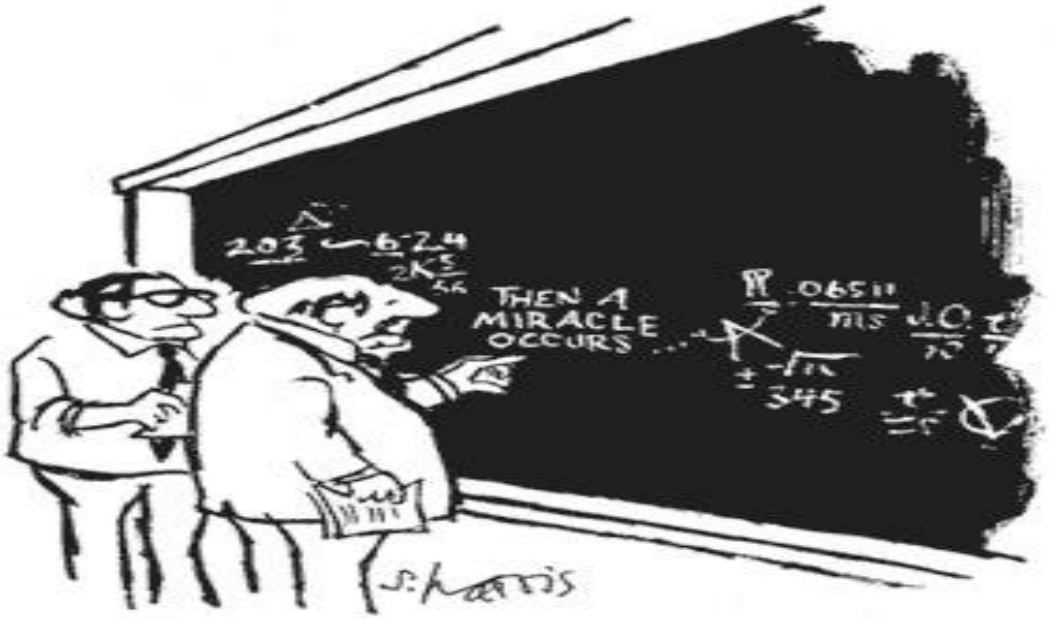
The standard allows the demonstration of one or multiple development benefits as part of environmental, social and/or economical benefits

WORLD BANK

Globally Networked Carbon Markets Task Force – Rating system for different carbon assets. NAMAs Rating Protocol including Development Benefits module

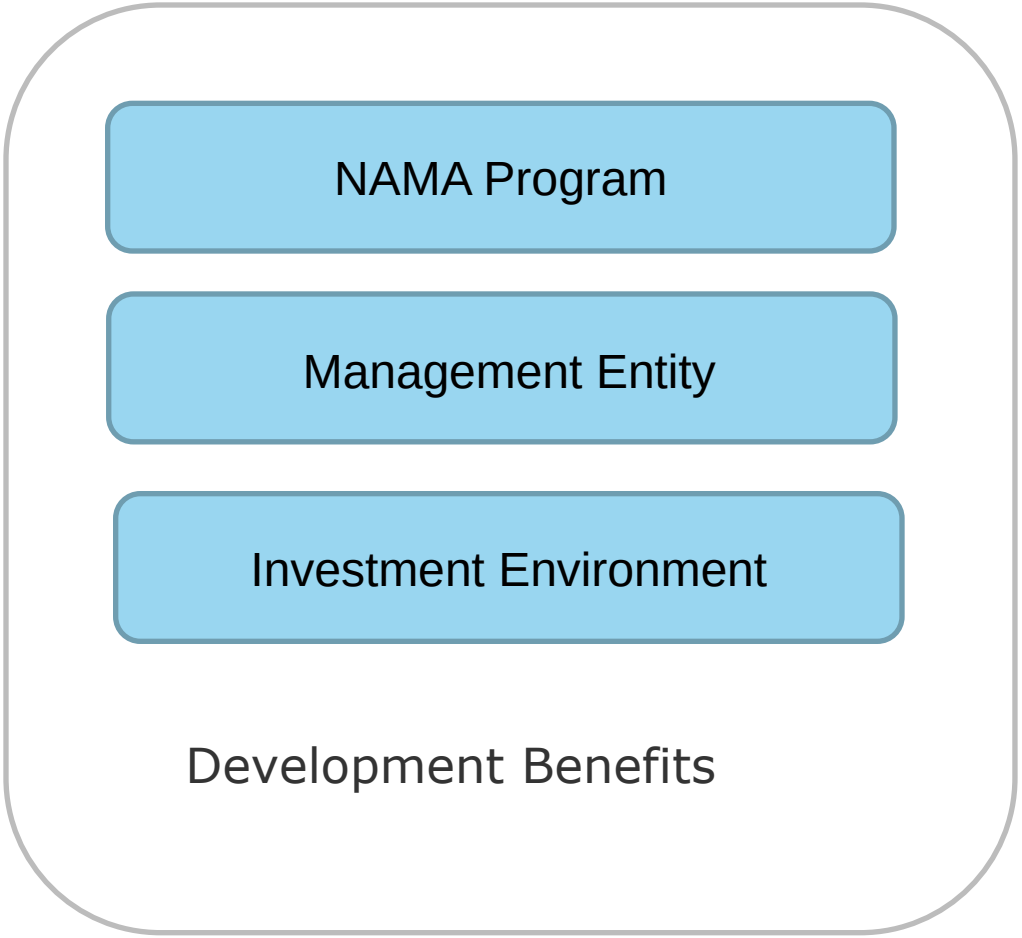
# Evaluation/Verification of mitigation actions

- UNFCCC process for NAMAs
- Different ongoing initiatives to establish assessment standards
- 2 possible approaches
  - Specific key indicators per type of program
  - Focus on the PDAC approach
- 2 possible outputs:
  - Yes/no validation/verification
  - Rating

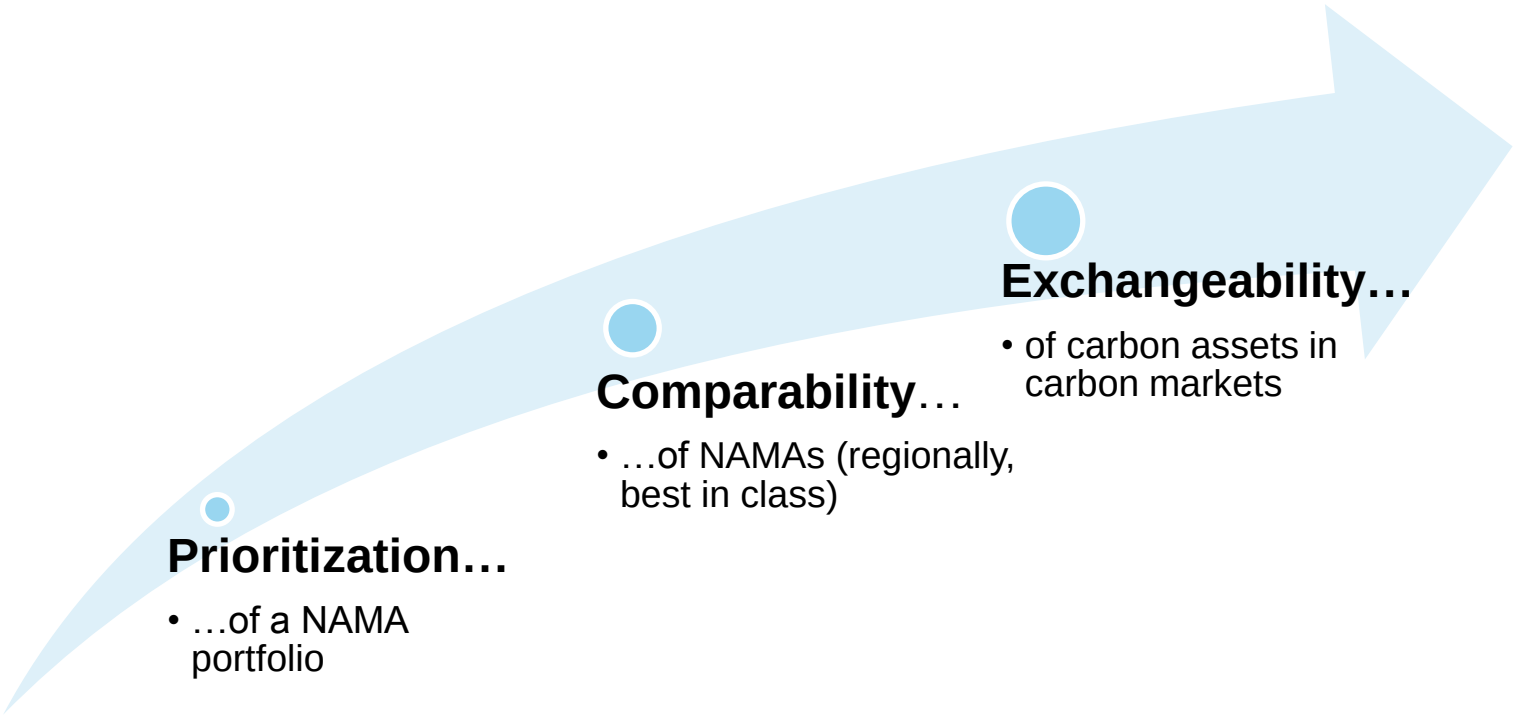



"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO."

# Building Blocks of NAMA Evaluation



# Evolution of Evaluation of NAMAs



## Conclusions

- Complexity of the definition of NAMAs and differences in the national priorities, together with the diversity of mitigation actions impact on the MRV options.
- Measurement and reporting of the SD benefits is essential to ensure the effectiveness of mitigation actions
- Importance of the structure of the NAMA to set up the MRV framework
- Level of MRV depends on the NAMA objectives
- Metrics to monitor ER and SD indicators
- Different initiatives trying to solve this complexity of providing guidance/standards for he MR and V.

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