



# Innovative Climate Finance – Supporting NAMA Market Readiness

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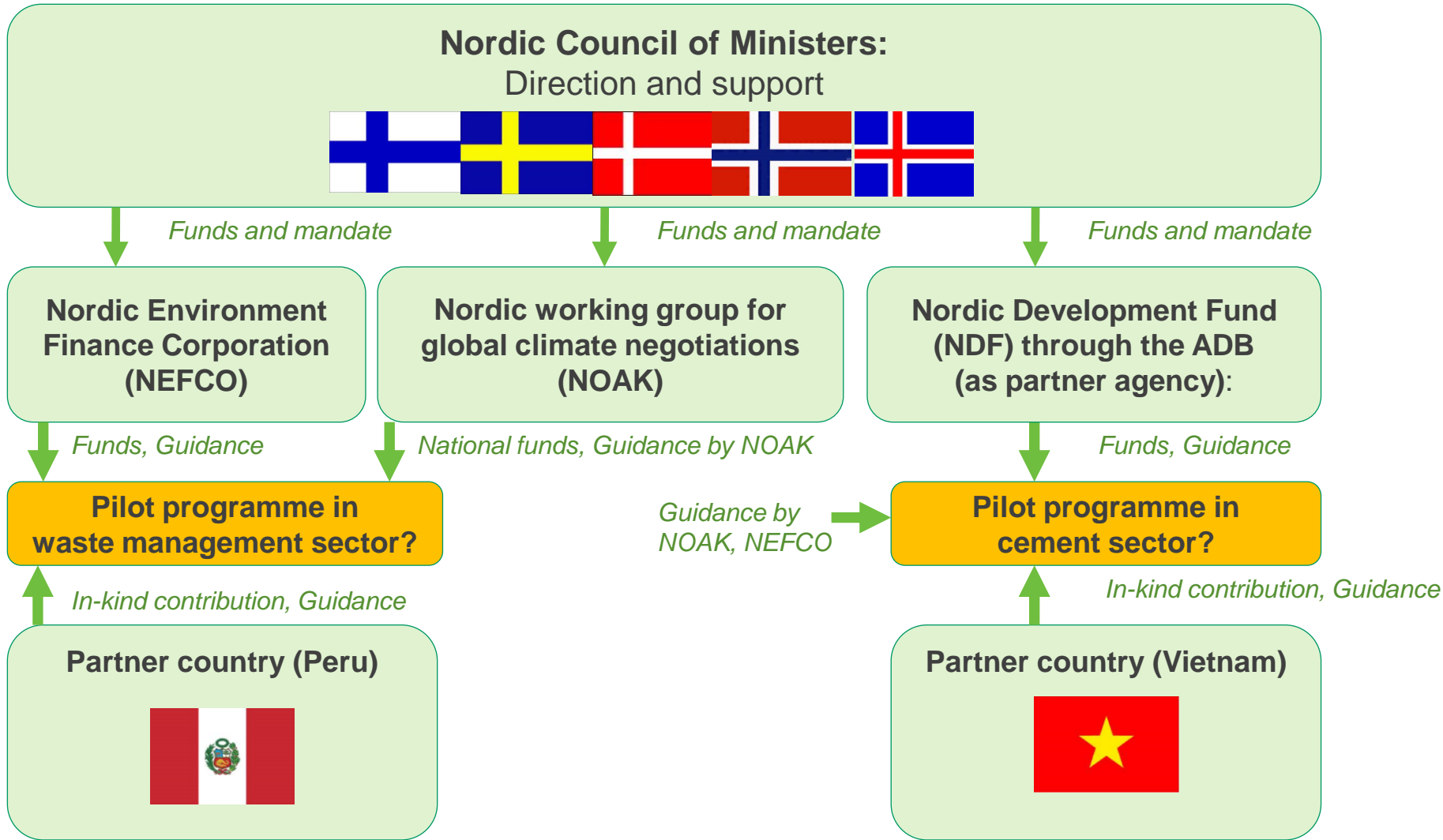
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# Nordic Partnership Initiative – why?

- **Cancun agreements:**
  - Para 51: developed country Parties to provide enhanced financial, technological and capacity-building support for the preparation and implementation of NAMAs of developing country Parties
  - Para 80: decision to consider at COP17 of one or more market-based mechanisms
- **Lack of practical insight** on implementation of new concepts developed in UNFCCC negotiations, such as supported NAMAs and new market-based mechanisms
- **Existing market mechanisms are not sufficient** to help achieve the necessary global emissions reduction targets
  - We have to move from single emission reduction projects to broader segments of economy and create units that ensure a net decrease in GHG emissions
  - The procedures have to be more simple and cost-effective and the volumes have to increase

# Objectives of the Nordic Partnership Initiative

- We aim at:
  - **learning in practice** how broad and up-scaled support can effectively be matched with comprehensive host country mitigation plans
  - **piloting NAMAs** in selected broad sectors of the economy with a subcomponent of **testing design of new market-based mechanisms**
  - providing **useful input to UNFCCC negotiations**
  - **encouraging others** to take similar actions
- We do *not* aim at:
  - developing or replacing CDM projects
  - purchasing credits



# Current status of NPI Programmes

- The feasibility study has been concluded and published in September. Draft Terms of Reference for pilot programmes developed for both countries.
- The preliminary budget for pilot programmes are some **€1.5 million in Vietnam and €2.2 million in Peru**. Both programmes would take 2 years.
- **Aims** of the pilot programmes:
  - **improve readiness (in particular regarding MRV)** for both carbon market and other support through technical, institutional and financial assistance.
  - **enable the host country to prepare for full scale implementation of a clearly specified NAMA, which could attract international finance** through the carbon market and otherwise
- Significant opportunities for technical cooperation between NAMA programmes, for example linkages with MAIN Partnership (WBI/CCAP) and BFI-CCWG programmes

# Contact

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