



CDM and NAMAs - Overview and Differences

	CDM Clean Development Mechanism	NAMA Nationally Appropriate Mitigation Actions
<i>Definition</i>	Mechanism of the Kyoto Protocol (Art. 12). The CDM allows a country with an emission-reduction or emission-limitation commitment under the Kyoto Protocol (Annex B Party) to implement an emission-reduction project in developing countries.	Commitment under the Convention All Parties (...) shall formulate, implement, publish and regularly update national (...) programmes containing measures to mitigate climate change(...).(UNFCCC Art. 4.1b) Internationally supported NAMAs will be measured, reported and verified (MRVed) domestically and will be subject to international measurement, reporting and verification (decision 1/CP.16 (para 61).
<i>Type of actions</i>	Projects (e.g. BRT) and programmes of activities (PoA)	Policies , programmes and projects (e.g. sustainable transport policy)
<i>Initiator of activity</i>	Private sector Companies and designated operational entities (DOEs) identify and implement projects.	Government National government, possibly in collaboration with regional or local authorities, initiate activities.
<i>Return on investment</i>	Certificates (CERs) Certified emission reductions are issued by the CDM Executive Board based on verification reports. CERs can be traded on carbon markets.	Financial and technical support: Developed country Parties shall provide enhanced financial, technological and capacity building support for the preparation and implementation of NAMAs of developing country Parties and for enhanced reporting by these Parties (para 52 of decision 1/CP.16)
<i>Preconditions</i>	Reductions in emissions must be additional to any that would occur in the absence of the certified project activity (KP Art. 12.5 c) CDM to assist developing country Parties in achieving sustainable development (KP Art. 12.2)	NAMA in the context of sustainable development , aimed at achieving a deviation in emissions relative to 'business as usual' emissions in 2020 (para 48 of decision 1/CP.16)
<i>Requirement</i>	Project supports sustainable development (proven by governmental letter)	Action is nationally appropriate (proven by governmental registration under the UNFCCC)
<i>Financing</i>	Upfront financing through private sector . Certificates are issued ex-post based on regular verification reports. CERs can be sold on a carbon market.	Domestic resources and/or international support (e.g. through bi-lateral agreements, development banks or multilateral funds, incl. Green Climate Fund) for the preparation and implementation of NAMAs.
<i>Administrative requirements</i>	Strong rulebook (Marrakech Accords)	General guidelines yet to be developed under the UNFCCC (paras 61 and 62 of decision 1/CP.16)
<i>GHG reduction potential</i>	2005 - 2011: 500 Mt CO₂eq	2012 – 2020 (15-30% against BAU): more than 40,000 Mt CO₂eq

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On behalf of