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PUBLICATION

Report
Climate

Scaling up Carbon Markets in Developing Countries Post-2012 ARE NAMAS THE WAY FORWARD?



Scaling up carbon markets in
developing countries post-
2012: Are NAMAs the way
forward?
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Ecologic Institute, Berlin
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[1]

A new report on the interaction between carbon markets and Nationally Appropriate Mitigation Actions (NAMAs) in developing countries brings together the outcomes of a one-year research project entitled "Scaling up carbon markets in developing countries post 2012: Options, concerns and way forward". Its author Prabhat Upadhyaya was supported by the Alexander Von Humboldt Foundation under the International Climate Protection Fellowship to carry out this research project at the Ecologic Institute during 2010-2011. The project report is available for download.

To date, developing countries have only participated in the carbon market as suppliers of offsets: through projects that reduce greenhouse gas emissions, they generate credits that are then sold to industrialised countries that have not achieved their mitigation targets. Since climate change is becoming an ever more pressing problem, however, mitigation in developing countries will need to go beyond offsets. At the same time, developing countries need to meet their responsibilities for the social welfare of their growing populations; scaled-up mitigation efforts will hence require time, capacity building, and large-scale investment. The so-called "Nationally Appropriate Mitigation Actions" (NAMAs) have been discussed as a way to enhance mitigation efforts in developing

countries while taking into account their national circumstances and development priorities.

The Cancun Agreements paved the way new market-based mechanisms (NMBMs) under the international climate regime. Different models have been proposed for such NMBMs, including sectoral emission trading as well as credited NAMAs (C-NAMAs) that would generate emission allowances. Various studies have looked at the scope, design and support for NAMAs, but the relationship between carbon markets and NAMAs remains largely unclear. This study attempts to fill this gap. In order to approach the issue, a literature review was carried out and five key themes were identified. These were then discussed in a series of structured interviews with stakeholders, including negotiators, researchers, market players, and civil society actors.

Based on the interviews, the author concludes that C-NAMAs can serve as a basis to introduce and scale up carbon markets in developing countries, but their future implementation depends on several conditions. These include: ambitious targets in Annex I countries, an agreed working definition of sustainable development in the context of NAMAs, clarity on the role of the private sector in supporting NAMAs, a clear demarcation between existing and new market-based measures, and a new managing authority which not only has technical, but also social and economic expertise to deal with C-NAMAs.

The [study](#) [2] [pdf, 733 KB, English] is available for download.

Further links:

- [Alexander Von Humboldt Foundation](#) [3]
- [International Climate Protection Fellowship](#) [4]

Attachments

-  avh_ecologic_report_pra_final_jan2012.pdf

Main Link

Report: Scaling up carbon markets in developing countries post-2012 [pdf, 730 kB, English]

Further Links

- Alexander Von Humboldt Foundation
- International Climate Protection Fellowship

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- [1] https://www.ecologic.eu/sites/files/presentation/2015/cover-scaling-up-carbon-markets_0.jpg
- [2] https://www.ecologic.eu/sites/files/publication/2012/avh_ecologic_report_pra_final_jan2012.pdf
- [3] <http://www.humboldt-foundation.de/web/home.html>
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