

## International policy

# NAMAs gain ground in Latin America as UN offset scheme fades

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**SAO PAULO, May 17 (Reuters Point Carbon) – Latin American countries, which have launched dozens of major initiatives to reduce their carbon footprints, are increasingly turning to a UN program to support national climate policies rather than its beleaguered carbon offset program, experts said.**

Since the United Nations' Clean Development Mechanism (CDM) has seen a 99-percent collapse in the price of its credits and \$66 billion off the value of investments made in low-carbon projects wiped out, Latin American countries have turned to Nationally Appropriate Mitigation Activities (NAMAs) as a way to finance their climate plans.

NAMAs enable developing countries to get backing from UN donor countries for sector-wide initiatives, such as solid waste management plans and renewable energy stimulus packages. Participating countries can use NAMAs to meet voluntary greenhouse gas reduction targets.

"The CDM is really declining and we have a lot of new (climate-related) policies in Latin American countries and NAMAs are the natural way to finance them," said Ned Helme, president of Washington-based Center for Clean Air Policy (CCAP).

"It will supplant the CDM and be a much more effective mechanism," he said by phone on Thursday from Copenhagen, after the second day of a summit focused on NAMA finance.

At the event, officials from developing countries presented potential NAMA projects they want to implement to donor countries. Germany and the United Kingdom announced at the summit they will spend \$91 million in a first round of grants for some of the projects this year.

"NAMAs are fast becoming the climate finance vehicle of choice for developing countries that wish to voluntarily implement greenhouse gas (GHG) mitigation actions," said the IISD (International Institute for Sustainable Development) in a recent report.

### EARLY DEVELOPERS

Colombia and Mexico are among the most active Latin American countries adopting the new U.N. mechanism.

Mexico's national oil company Pemex unveiled in March a UK-backed NAMA project to reduce fugitive emissions from the country's natural gas processing and distribution system that could reduce 3 million tonnes of CO2 equivalent per year.

"Any company dealing with natgas distribution in Mexico could take part on this. It is open for all. The company only needs to comply with the requisites," said Ignacio Arroyo, carbon finance manager at Pemex.

Colombia is implementing a large program to recycle waste and turn it into a fuel that can displace coal with Canadian financial backing and assistance from CCAP.

"In fact the new NAMA could get you near zero emissions across the solid waste sector in Colombia," Helme said. Argentina, Chile, Costa Rica, Dominican Republic, Peru and Uruguay also presented proposals for sector-wide mitigation actions in Copenhagen.

Danish environmental minister Martin Lidegaard said during the summit that the next step is to find a way for private money to flow to projects.

"Donor funds alone cannot meet the collective mitigation and adaptation needs of developing countries. And certainly the financial crisis has further strained the public funding sources," he said.

"A lot of the available funds rest with private investors and under the right conditions these funds will flow to climate related projects. We have to create the right conditions for that to happen."

By Marcelo Teixeira – [marcelo.teixeira@thomsonreuters.com](mailto:marcelo.teixeira@thomsonreuters.com)

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