




# Swedish Program for International Climate Initiatives

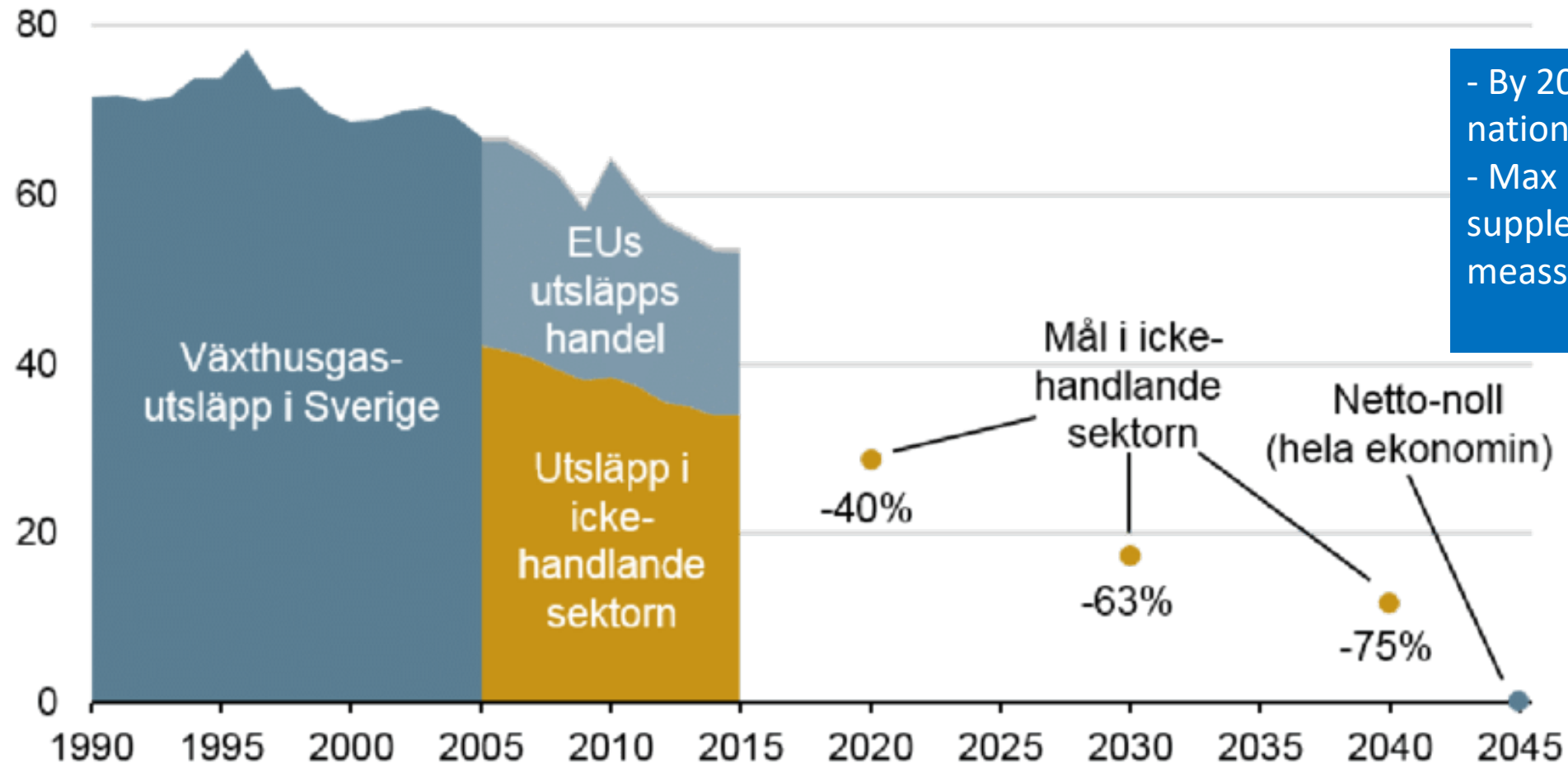
2019-06-14



# Climate Policy Framework

- Climate Policy Framework in 2017
  - Climate Act
  - Zero net emission of GHG by 2045 and negative emissions thereafter
  - Climate Council
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# Swedish climate target




- By 2045, at least 85% national actions
- Max 15% supplementary measures



# Swedish Program for International Climate Initiatives

Enable ambition raising through international climate cooperation and market mechanism

- Support the development of robust rules and procedures of international climate cooperation
  - Support cost-effective mitigation activities in developing countries
  - Increase the flexibility on how climate target can be achieved
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# International Climate Initiatives under the Kyoto Protocol – 2,3 billion SEK

## Multilateral cooperation

Bilateral programs: 91 programs in 23 länder

Future Carbon Fund (FCF)



Umbrella Carbon Fund Tranche 2



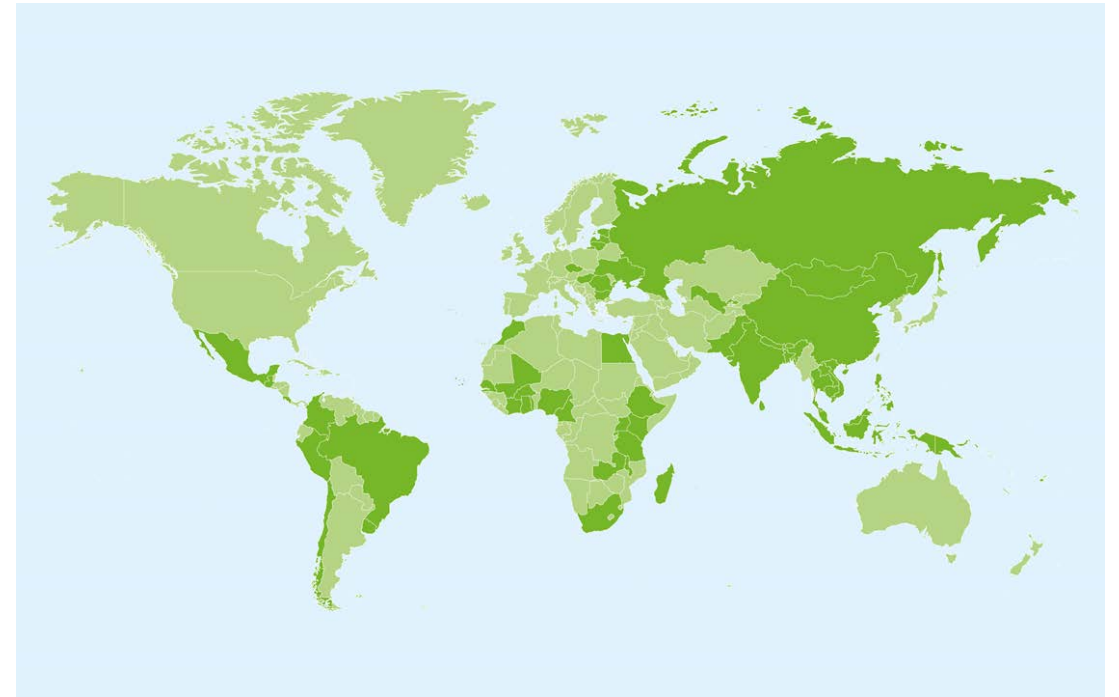
Asia Pacific Carbon Fund (APCF)



Multilateral Carbon Credit Fund (MCCF)



The Baltic Sea Region Testing Ground Facility







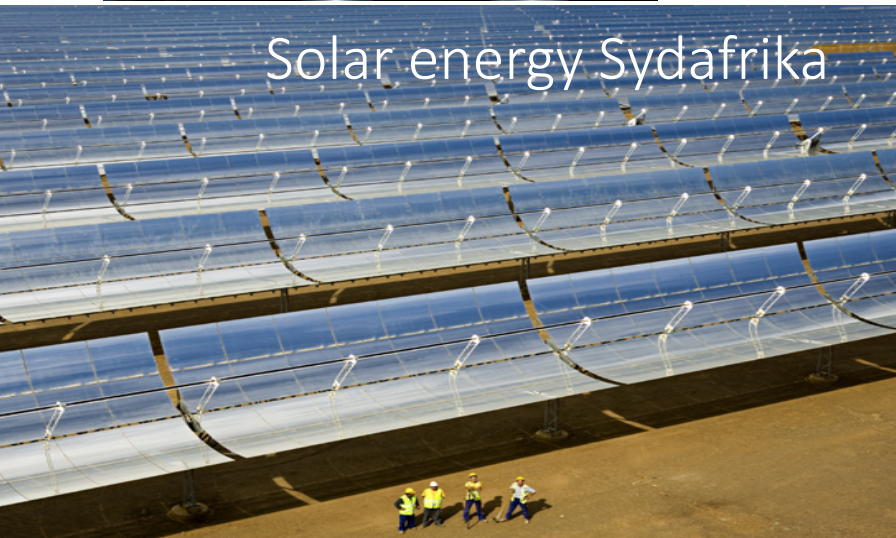
Energy efficient  
cookstoves in Nigeria



Clean energy products in  
Mongolia



Biomass project India



Solar energy Sydafrika




Landfill gas project in Mauritius





Biogas project in Laos and Thailand






# Swedish Program for International Climate Initiatives under the Paris Agreement

- **Purpose:** (i) Enable ambition-raising through supporting the development of the instruments (ii) Purchase of international emission reduction units to contribute to the Swedish climate target.
  - **Criteria:** (i) low and middle-income countries, (ii) sectoral approach, (iii) energy-sector
  - **Current budget:** 50 million SEK/year
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# Development of new collaborations under Article 6 in the Paris agreement

- Rulebook is still being negotiated in the UNFCCC
  - Eligibility criteria not set
  - Readiness and pilots
    - Transformative Carbon Asset Facility (World Bank)
    - Virtual Pilots (Swedish Energy Agency)
    - Carbon-Initiative for Development (World Bank)
    - Partnership for Market Readiness (World Bank)
    - Carbon Partnership Facility (World Bank)
    - ADB Article 6 Facility (ADB)
    - Nordic Initiative for Cooperative Approaches (NEFCO)
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# Transformative Carbon Asset Facility

- International finance facility piloting innovative, result-based carbon market mechanism under Article 6.
  - TCAF supports developing countries in planning, implementing, and scaling up their climate plans (NDC) to accelerate the transition to low-carbon economies.
  - Fund capital 205 million USD
  - Fund Manager: World Bank
  - Participants: Norway, UK, Switzerland, Sweden, Germany and Canada
  - Operationalized in 2017
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# Virtual pilots





# Lessons learned so far

- Long-term engagement
  - Multilayered and holistic efforts are important
- Institutional infrastructure to reconcile NDC target, GHG emissions inventory and accounting for transfer of emission reduction units
- Long-term development plans and roadmaps are important
- Baseline setting is challenging
  - Translating national targets into sectoral or sub-sectoral targets is challenging but necessary to determine a robust baseline
  - Requires multiple assumptions associated with high uncertainty



# Lessons learned so far

- High standards of emissions data required
  - Data availability of sector GHG inventory to set the baseline and target
  - Emission reduction unit transferred needs to be adjusted in the inventory
- Dynamic and conservative baselines
- Attribution in policy landscape
- Many countries are hesitant to engage in Article 6
  - Rules are not set
  - Risk of overselling needs to be addressed





# Thank you!

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EXTRA



# Types of programs to be supported by TCAF

## Policy-based programs

- Energy sector reforms, fiscal policy changes, pricing and regulatory measures to promote sustainable mobility

## Sector-based programs

- ERs from combination of increasing energy efficiency, promoting the use of alternative fuels, and increasing the use of renewable electricity.
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