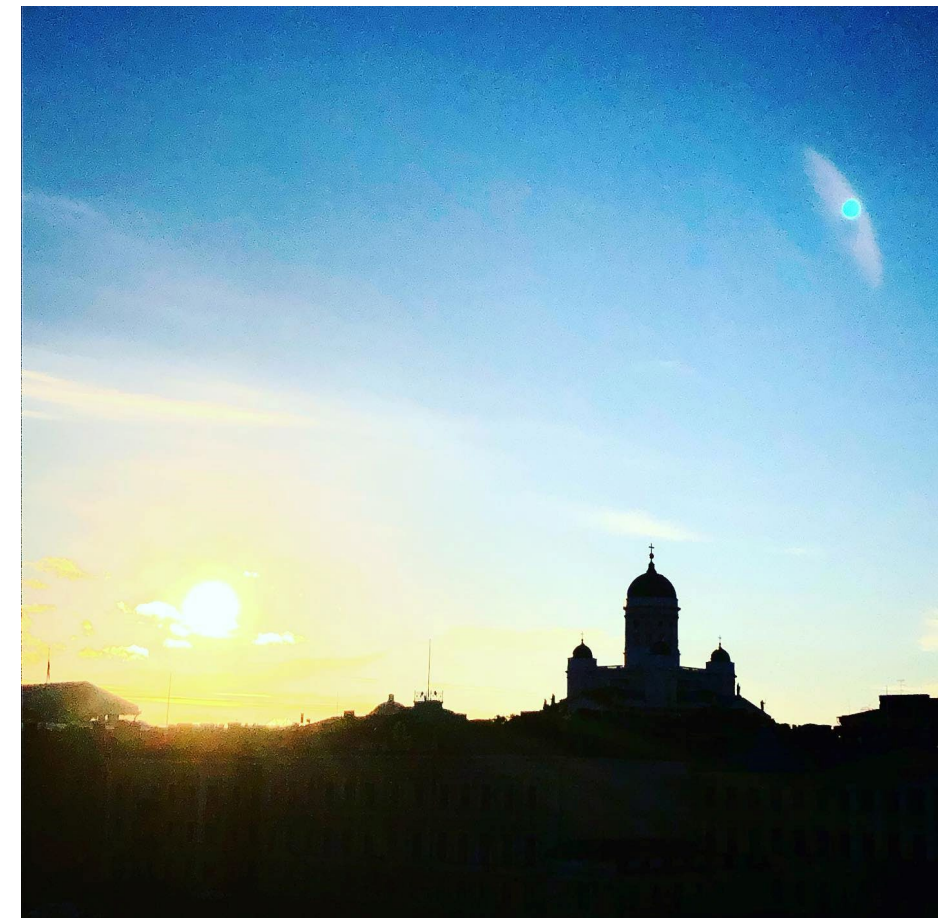


Nordic vision for carbon market development

Hanna-Mari Ahonen, Perspectives Climate Group

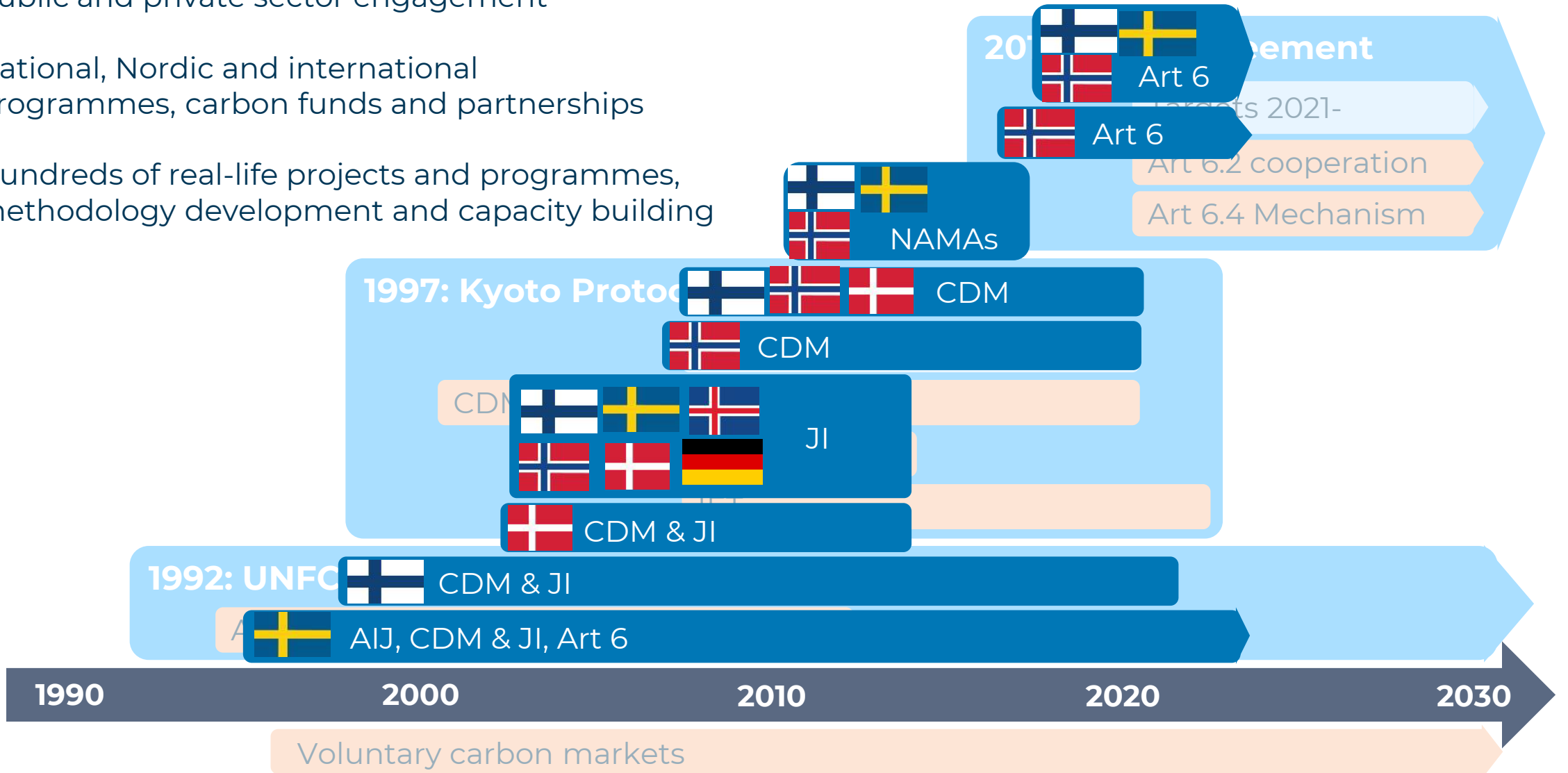
Seminar: Nordic approach for ambitious carbon market
cooperation under the Paris Agreement Article 6

12 October 2022



20+ years of Nordic experience in carbon markets

- ✓ Public and private sector engagement
- ✓ National, Nordic and international programmes, carbon funds and partnerships
- ✓ Hundreds of real-life projects and programmes, methodology development and capacity building



Various objectives of Nordic carbon market cooperation:

- Enhance **cost-effectiveness** of meeting targets
- Increase **flexibility** and **mitigate risks** relating to meeting targets
- Raise **ambition** beyond targets
- Deliver results-based **climate finance**
- Develop robust **rules, capacity** and **experience**
- Support **market development**
- Foster **sustainable development** through **technology transfer** and **co-benefits**
- Promote the international uptake of **Nordic low-carbon solutions**
- Facilitate Nordic **companies' access** to compliance-grade carbon credits

Objectives may evolve over time: initial objective of compliance use may change to use for ambition-raising / over-achievement, e.g. if national policies are successful.

Lesson 2: Ambition ♥ cooperation

Catalysing **faster and more ambitious global mitigation** requires **cooperation**

Carbon market cooperation enables



public and **private** actors to work **together** across national borders



to **identify**, **finance** and **implement** additional **mitigation** actions and



to **ensure** that they deliver **real benefits** for the climate, environment and society





“

We will **catalyse global mitigation efforts** to limit the increase in the global average temperature to 1.5°C.

Agenda 2030 and the Paris Agreement show the way, but we need to work even **more ambitiously and faster.**

”

Piloting can:



support many **objectives**

- Developing robust rules and safeguards
- Promoting ambition-raising and transformational change
- Supporting gender equality, clean energy, health, poverty reduction...
- Delivering results-based climate finance
- Enhancing flexibility and cost-effectiveness of meeting targets



mobilise **resources for real action**



build **capacity through learning-by-doing**



strengthen **mandate by demonstrating benefits**



“

Nordic countries will continue developing **pilot projects** to explore modalities for implementing **Article 6** of the Paris Agreement, highlighting the need for **robust rules** contributing to increased **ambition** and appropriate **safeguards**.

”

Nordic Article 6 cooperation: Proposed vision



Nordic actors engage in international carbon market **cooperation**

to promote greater **ambition** of global climate action

by supporting environmentally and socially **sustainable mitigation** activities

that are compatible with the **transition** needed

to limit global warming to **1.5°C** and

meet the UN **Sustainable Development** Goals.

Key international criteria and proposed Nordic priorities



Ensuring **environmental integrity** of mitigation outcomes

Promoting **ambition**



Applying **robust accounting**, including to avoid **double counting**

Promoting **sustainable development**, especially **gender** equality

Additional goals

Enabling **transformational change**

Fostering a **just** and **inclusive transition** towards the 1.5-degree pathway

Facilitating **private** sector participation

Embracing **prompt** action and **learning-by-doing**

Fostering **partnerships** and synergies




**#NORDIC
DIALOGUE**
on Voluntary Compensation

- Aligning voluntary climate action with the **Paris Agreement** and **Agenda 2030**
- Fostering a **common understanding** of key issues
- Co-creating Nordic **best practices** for the voluntary use of carbon credits and related claims
- Recommending a **Nordic community of best practice** for carbon market cooperation

- Carbon market cooperation can support **various objectives** and can be used for **various purposes** by **public** and **private** actors
- Carbon market cooperation can be used for **ambition-raising** if and only if it is:
 - **complementary** to (does not displace) ambitious own action
 - based on activities with high environmental and social **integrity**
 - robustly accounted (including **no double counting**)
- **Learning-by-doing** can develop robust **rules, capacity, markets** and **activities**
- **Public-private partnerships** can harness **private sector resources** for activity development and facilitate private sector's access to Article 6 carbon credits

Thank you!
Kiitos!

Hanna-Mari Ahonen
Ahonen@perspectives.cc

