

# Finland's experiences in international carbon pricing

Lessons for the Paris era

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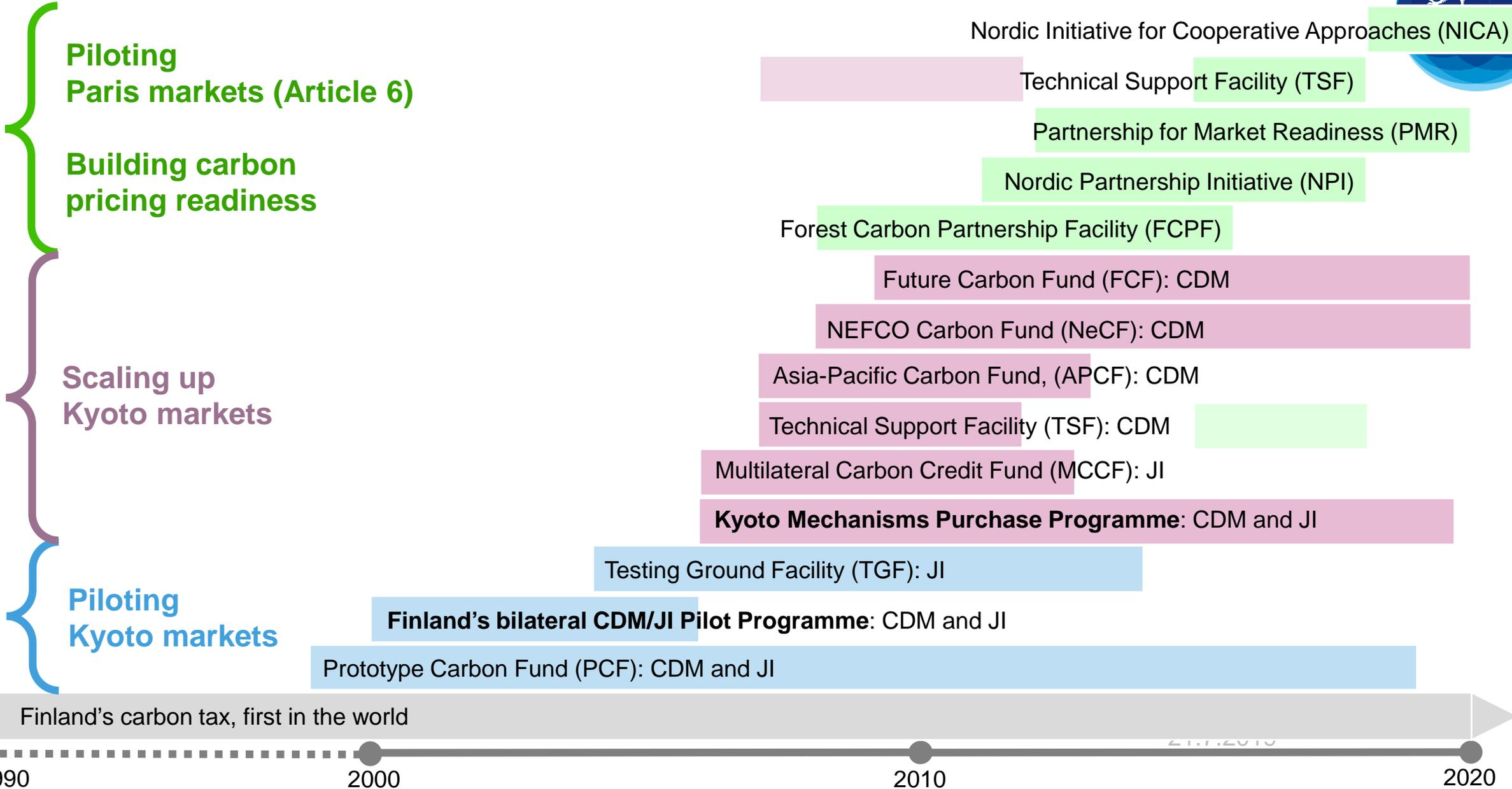
Ministry for Foreign Affairs of Finland

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## Activities and results

# 20 years of support for carbon pricing



# Piloting and scaling up Kyoto markets



## Results of CDM/JI support by Finland

Total emission reductions: **78 MtCO<sub>2</sub>e** by 2020  
Finland's share: 10 Mt, of which 8,5 Mt already delivered

Total investment: **US\$73 bn** (largely private sector finance)

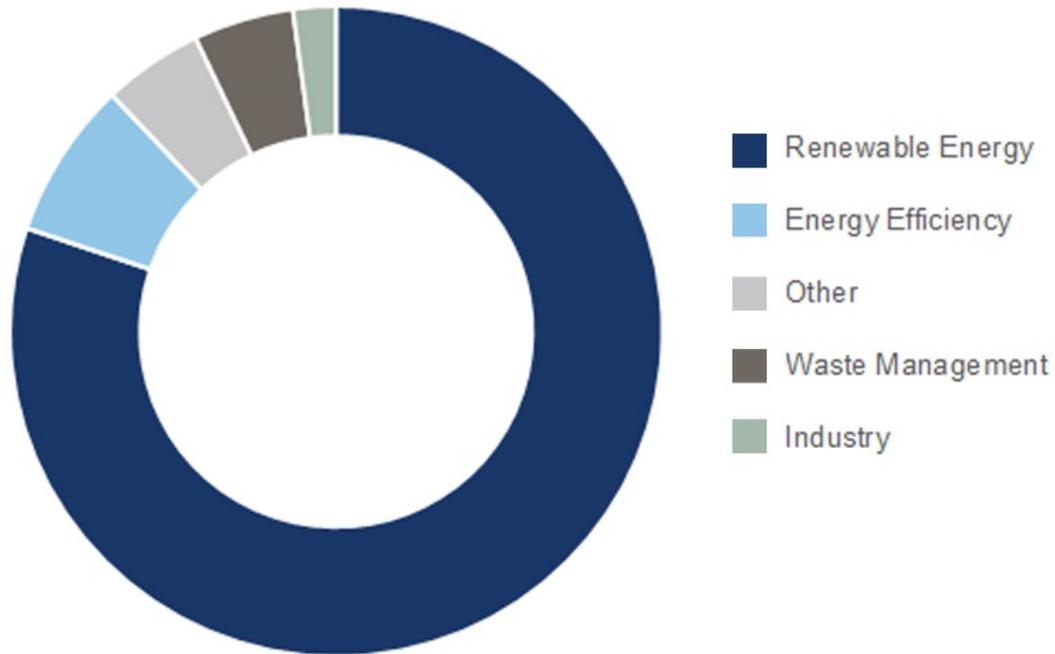
- + **Private sector** engagement
- + **Capacity** to develop, implement & MRV mitigation policies and actions
- + **Data** on emissions, mitigation potential, costs and barriers
- + **Standards** for MRV, additionality and baselines, incl. standardisation
- + **Sustainable development** co-benefits

<b>CDM</b>	<b>141 projects</b>
<b>JI</b>	<b>30 projects</b>

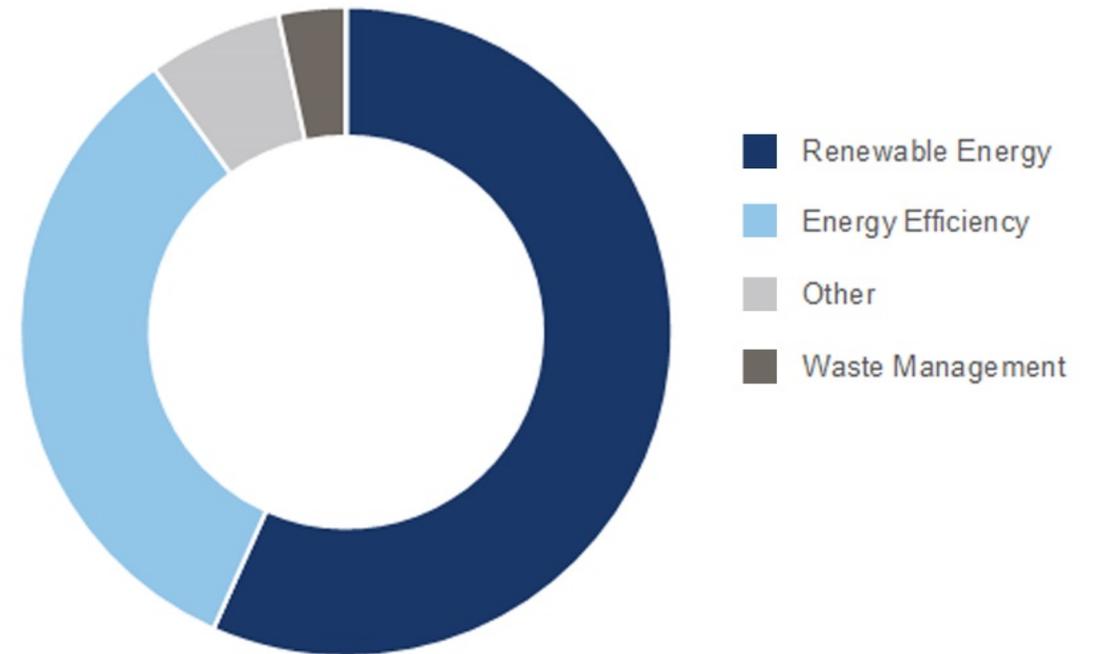
# Promoting mitigation action across sectors



CDM - Distribution of different project types



JI - Distribution of different project types

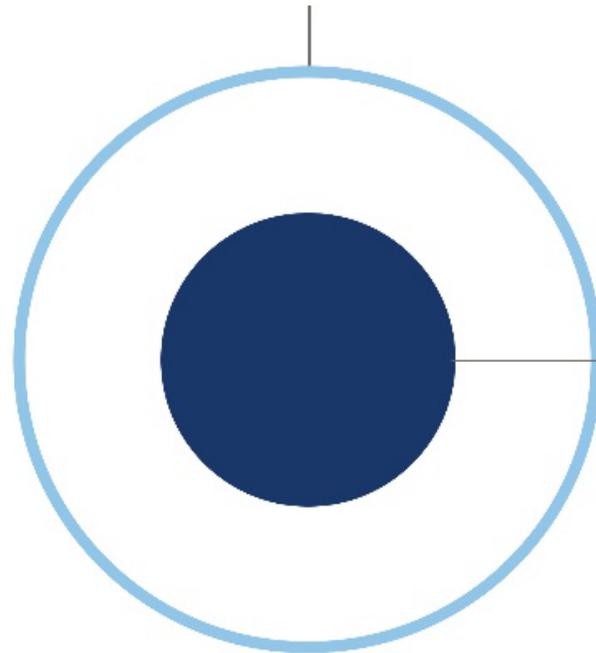


# Promoting renewable energy worldwide



Finland's national renewable energy generation capacity in 2017

**7556 MW**



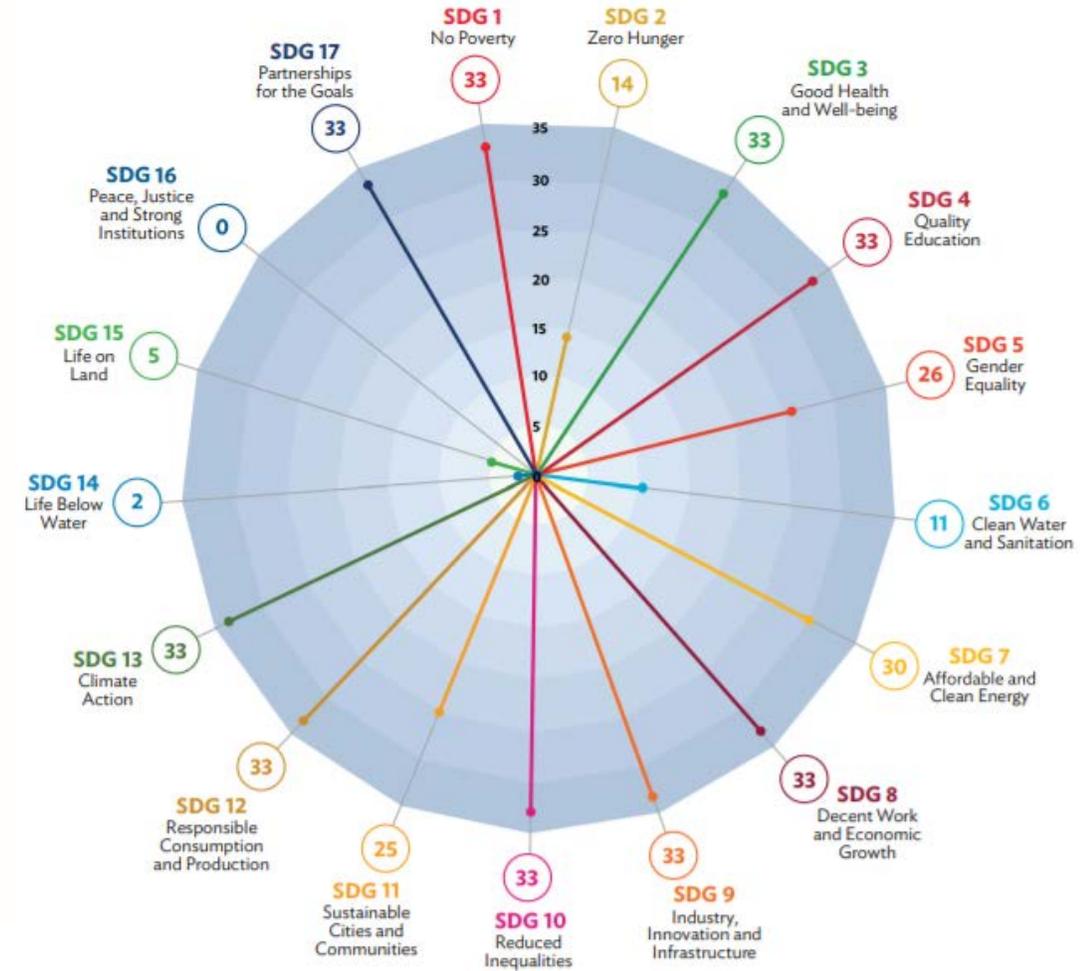
Projects' total capacity to produce electricity from renewable sources

**4182 MW**

# Promoting sustainable development

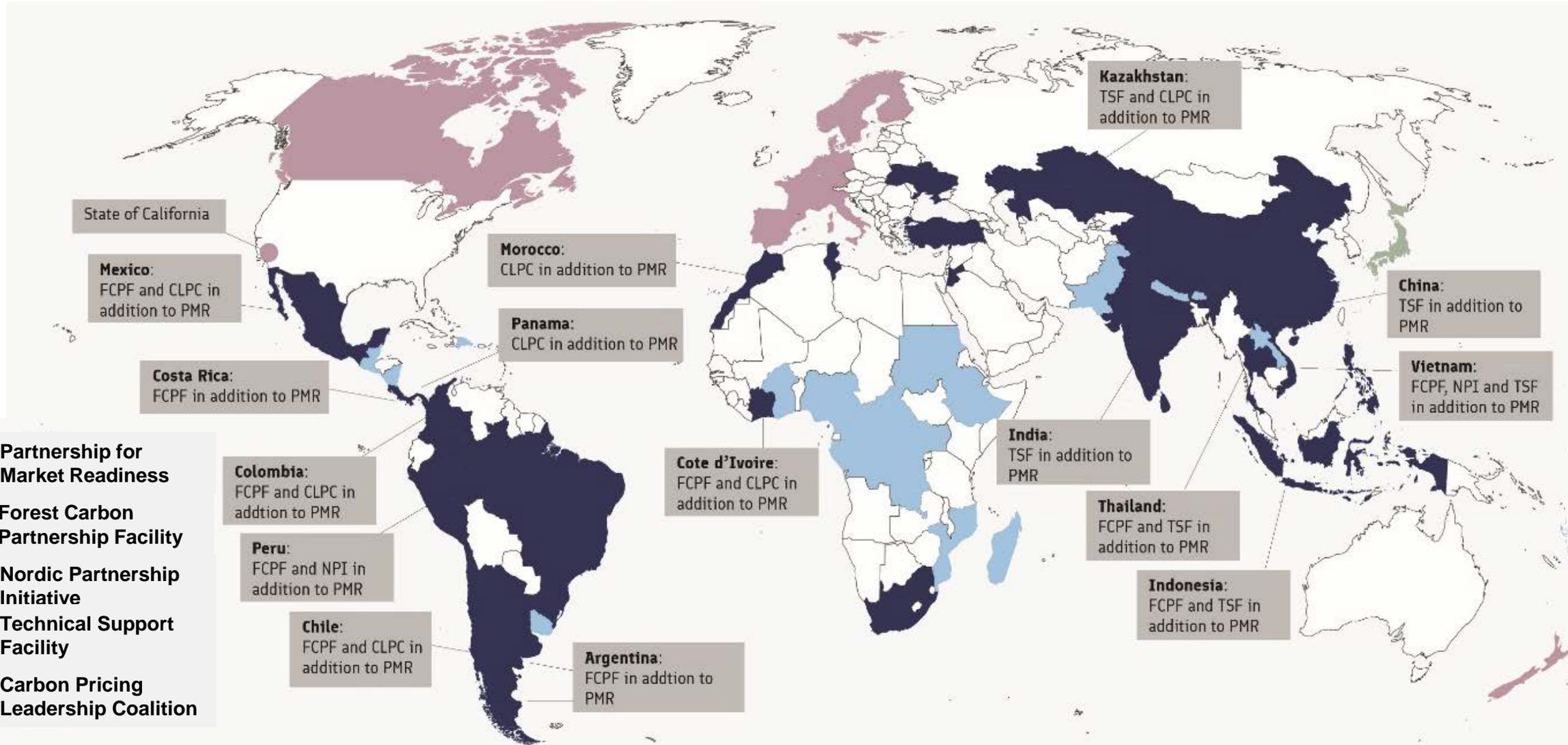


*The main SDGs supported by climate projects*



Source: Future Carbon Fund.

# Enhancing carbon pricing readiness worldwide



# Enhancing carbon pricing readiness worldwide

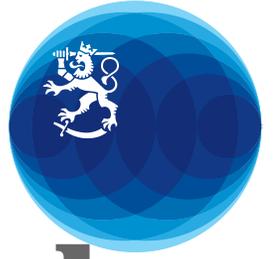


## Countries supported by PMR represent 45 % of global emissions

	<b>Carbon tax</b>	<b>Emissions trading</b>	<b>Crediting</b>
<b>Implemented</b>	Argentina Chile Colombia Mexico South Africa	Kazakhstan China (phase 1)	Thailand
<b>Under work</b>	Costa Rica Panama Côte d'Ivoire	Colombia Mexico Thailand Ukraine	Colombia Costa Rica Mexico Peru South Africa Sri Lanka Vietnam



## Kyoto lessons for the Paris era



**Market rules, mechanisms and readiness are developed by patient **pilots** and **champions** willing to **learn-by-doing**. #ilmastosisu**

**Paris markets can build on **20 years** of Kyoto **experience**.**



**Carbon pricing can harness the  
**private sector** to find, develop  
and finance mitigation action.**



# Carbon markets deliver **mitigation and sustainable development** cost-effectively at scale, worldwide.

**Between 2001 and 2020, CDM/JI delivered:**

- 3+ GtCO<sub>2</sub>e issued **emissions reductions** (potential by 2020 more than double)
  - 8000+ registered emission reduction **projects and programmes**
  - US\$400+ bn **investments** in emission reduction projects
  - Broad range of **sustainable development** co-benefits



# Market mechanisms are **multi-purpose policy tools** for compliance, **ambition-raising** and **results-based payments**.

Market mechanisms can be used as **domestic and international tools** for:

- **Monitoring, reporting and verification (MRV)**
  - **Early action and transition**
  - **Voluntary compensation**
  - **Risk/cost management**
  - **Price discovery**

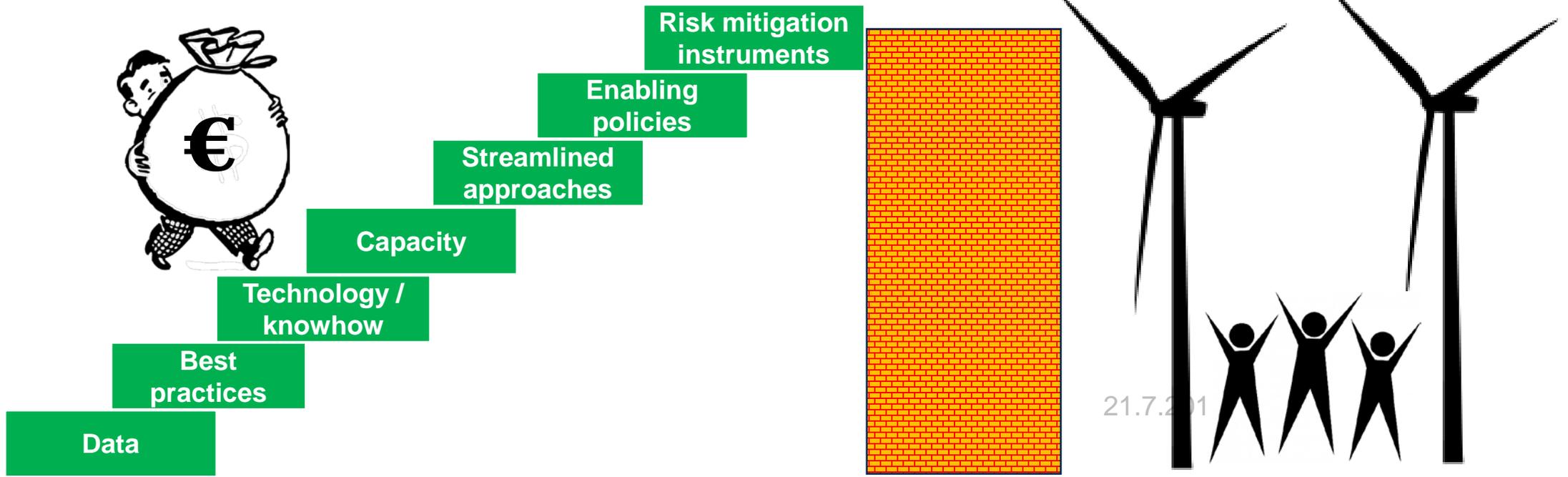


**CDM is a valuable model for private sector mobilization, transparency, stakeholder engagement, development of open source standards, learning-by-doing and continuous improvement.**

- **Bottom-up:** 200+ standards and tools for MRV, additionality and baselines
  - **Top-down:** Standardisation and streamlining by experts
    - **Stakeholder engagement** in CDM quality control
    - **Continuous revision and improvement**



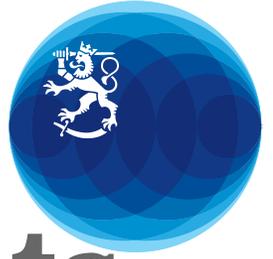
# Money alone doesn't remove **barriers** to mitigation action.





The **value** of mitigation outcomes is based on **trust** in their **quality**. Once lost, trust is hard to regain.

Keys to quality: **additionality, baselines, third-party verification, accounting, transparency, stakeholder engagement.**



**In the absence of ambitious targets, international oversight is needed to ensure quality.**

**Host countries with targets have a lead role in carbon pricing governance, including avoiding double-counting.**



**International collaboration enables  
small actors to contribute globally  
beyond their size.**

**By joining forces,  
we can achieve more, faster.**

Thank you for your attention!

