

Finland's experiences in international carbon pricing

Lessons for the Paris era

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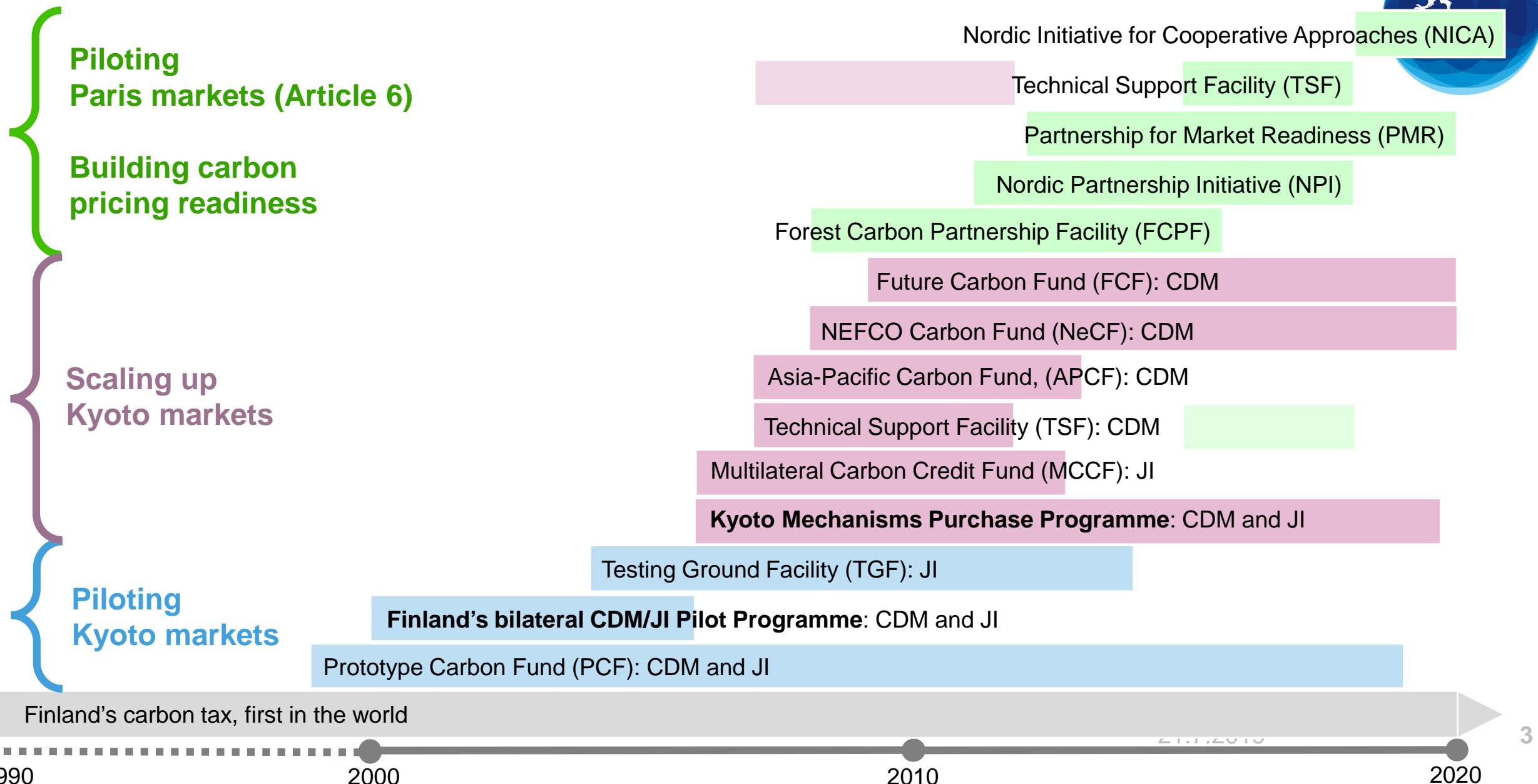
Ministry for Foreign Affairs of Finland

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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 MtCO₂e** by 2020
Finland's share: 10 Mt, of which 8,5 Mt already delivered

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

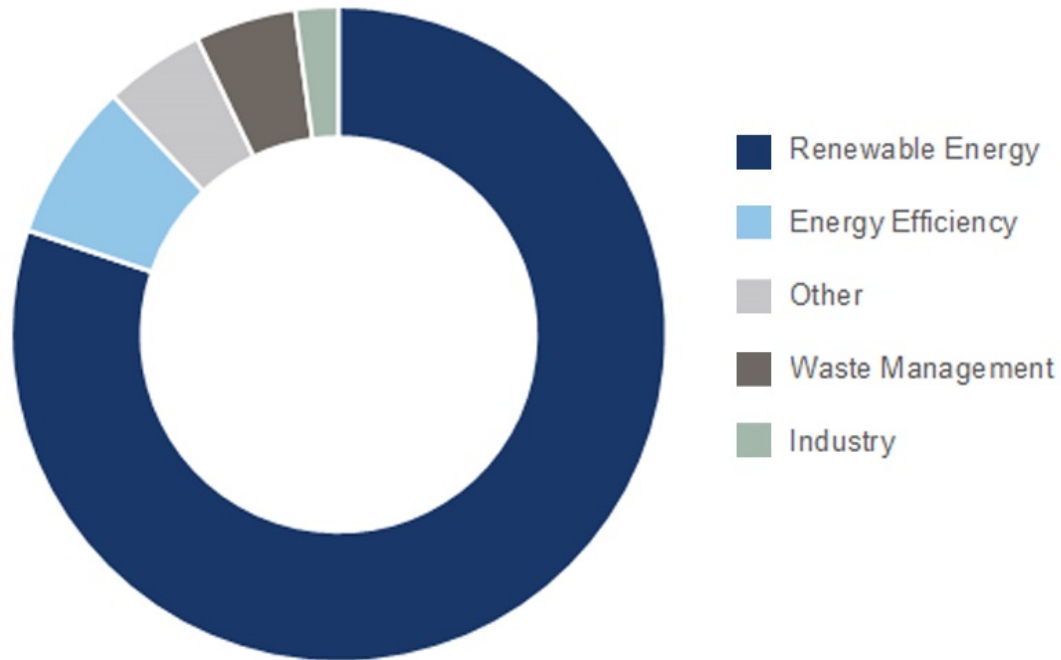
- + **Private sector** engagement
- + **Capacity** to develop, implement & MRV mitigation policies and actions
- + **Data** on emissions, mitigation potential, costs and barriers
- + **Standards** for MRV, additionality and baselines, incl. standardisation
- + **Sustainable development** co-benefits

CDM	141 projects
JI	30 projects

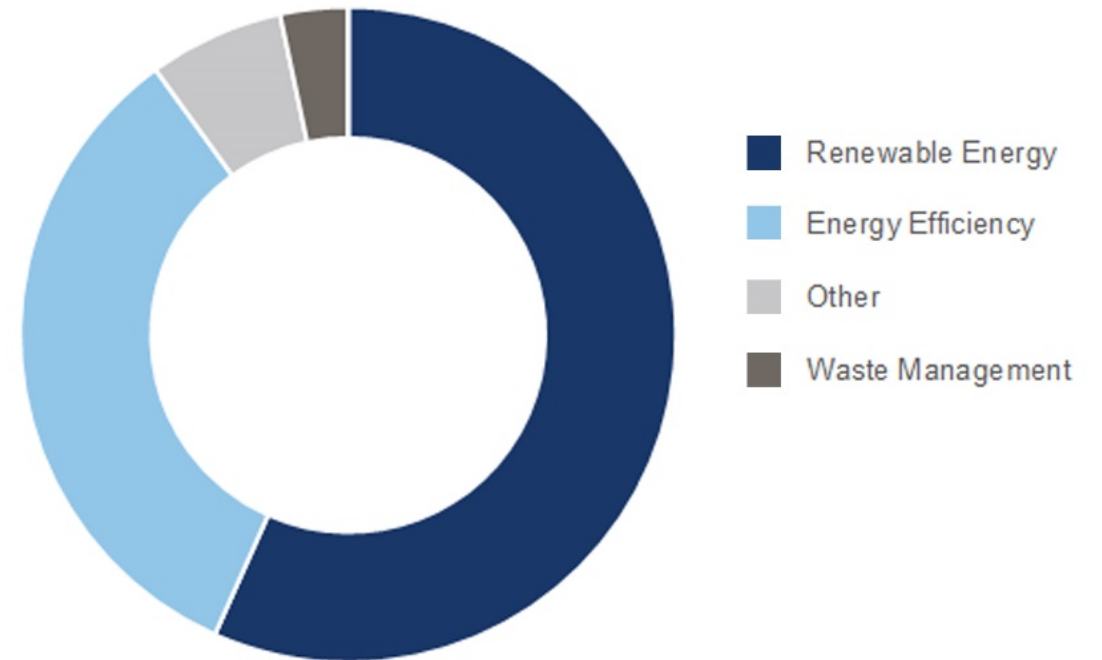
Promoting mitigation action across sectors



CDM - Distribution of different project types



JI - Distribution of different project types

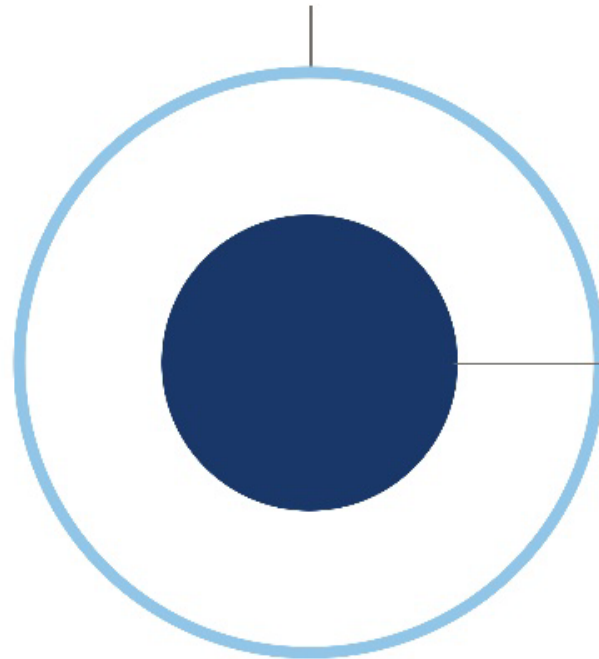


Promoting renewable energy worldwide



Finland's national renewable energy generation capacity in 2017

7556 MW



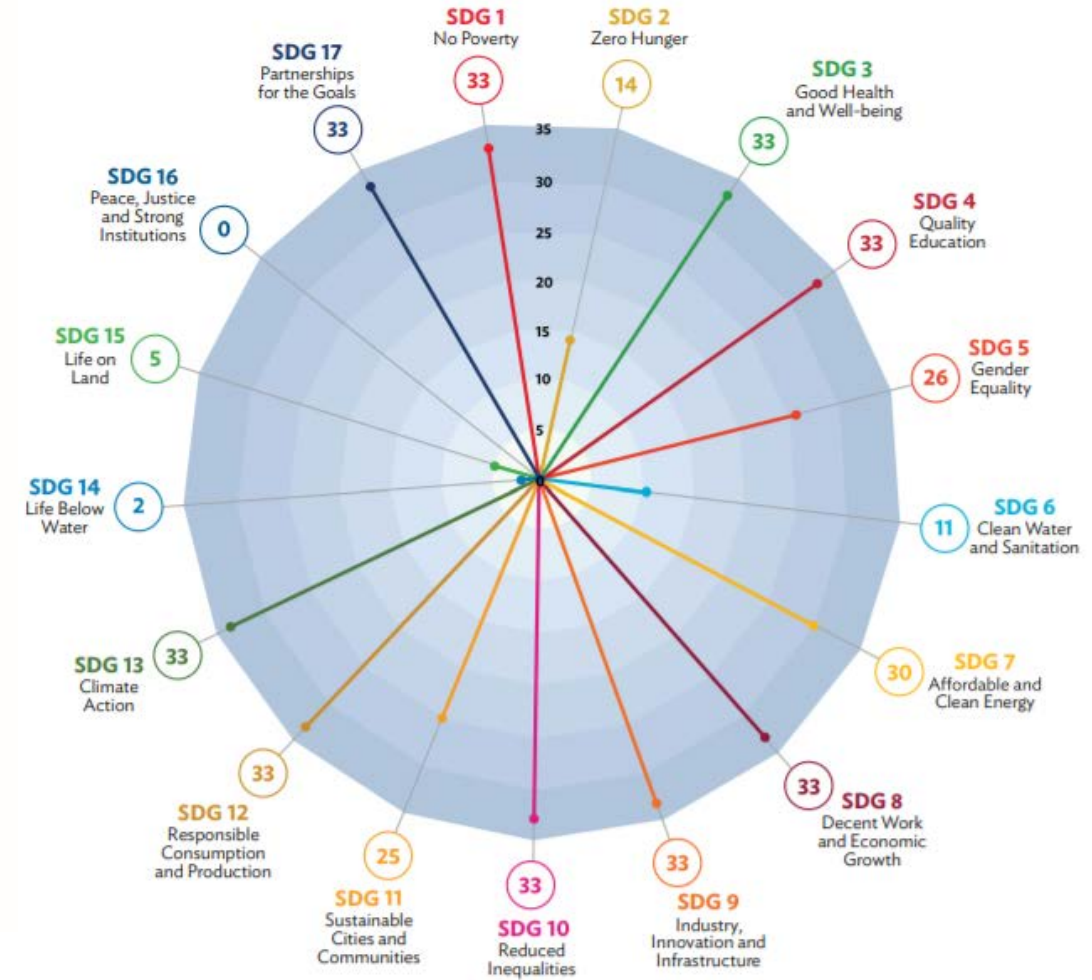
Projects' total capacity to produce electricity from renewable sources

4182 MW

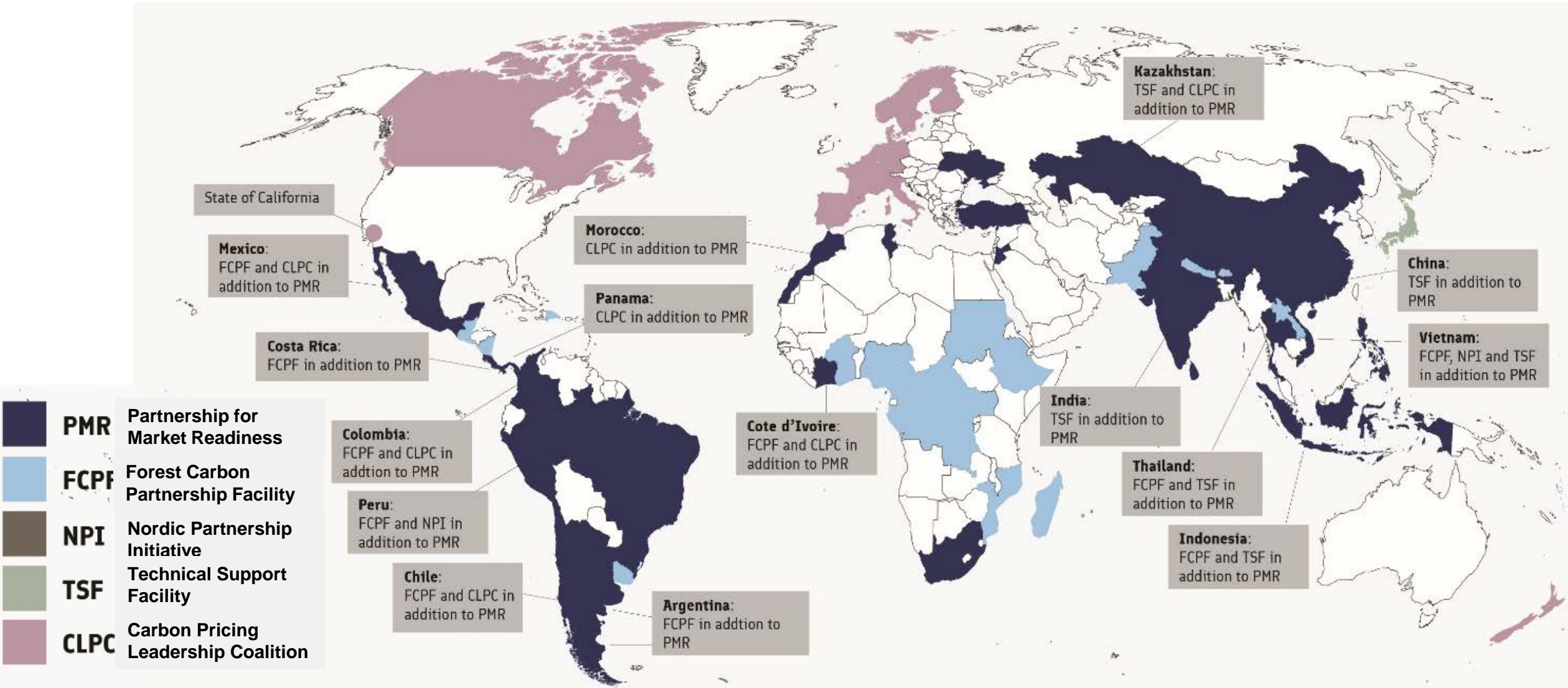
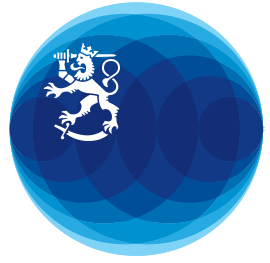
Promoting sustainable development



The main SDGs supported by climate projects



Enhancing carbon pricing readiness worldwide



Enhancing carbon pricing readiness worldwide

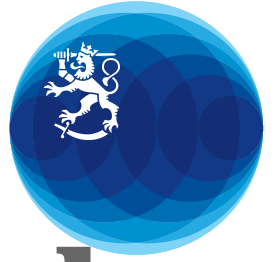


Countries supported by PMR represent 45 % of global emissions

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

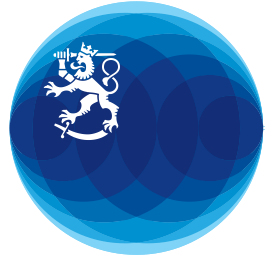


Kyoto lessons for the Paris era

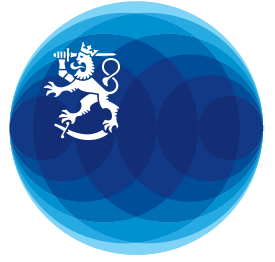


Market rules, mechanisms and readiness are developed by patient **pilots and **champions** willing to **learn-by-doing**. #ilmastosisu**

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



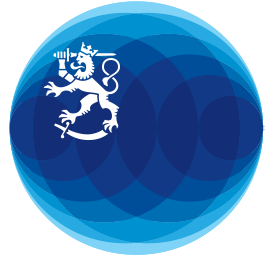
**Carbon pricing can harness the
private sector to find, develop
and finance mitigation action.**



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

Between 2001 and 2020, CDM/JI delivered:

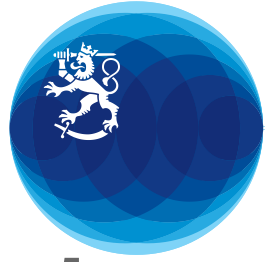
- 3+ GtCO₂e issued **emissions reductions** (potential by 2020 more than double)
 - 8000+ registered emission reduction **projects and programmes**
 - US\$400+ bn **investments** in emission reduction projects
 - Broad range of **sustainable development** co-benefits



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**

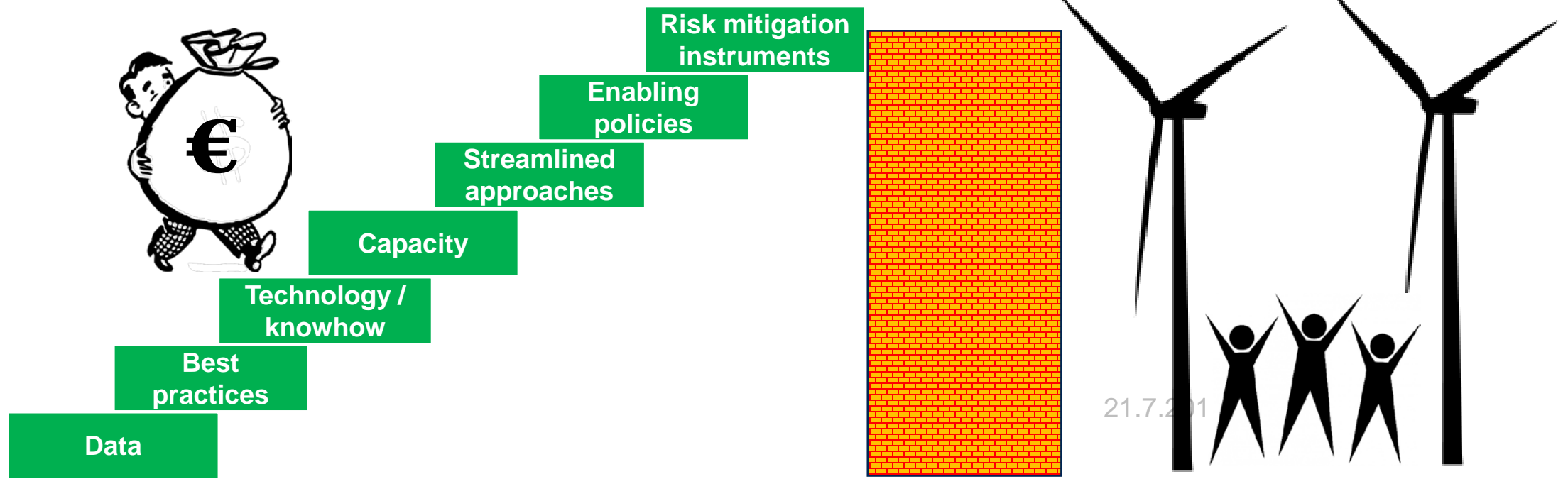


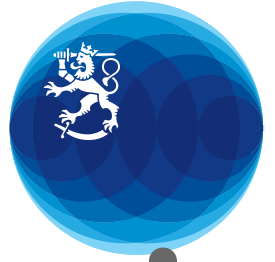
CDM is a valuable model for private sector mobilization, **transparency, stakeholder engagement, development of **open source standards**, learning-by-doing and continuous **improvement**.**

- **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**



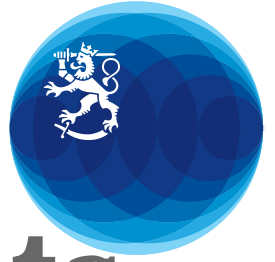
Money alone doesn't remove **barriers** to mitigation action.





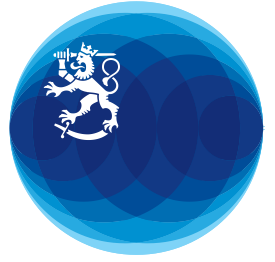
The **value** of mitigation outcomes is based on **trust** in their **quality**. Once lost, trust is hard to regain.

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!

