



NORWEGIAN MINISTRY OF  
CLIMATE AND ENVIRONMENT



# The Norwegian Carbon Credit Procurement Program

Sweimeh, 28 October 2015

# Norwegian procurement

- **Norway** has for more than two decades supported the development of carbon markets
- **Kyoto 1** (2008-2012)
  - Credits purchased for over-fulfilment of pledge
    - 23 million credits purchased
- **Kyoto 2** (2013-2020)
  - Ambitious pledge – 2020 30 per cent lower than 1990 emissions
  - Measures at home and procurement of offsets (CER)
- **New Agreement, post 2020 - Norway's INDC**
  - Pledged "at least" 40 per cent reduction compared to 1990  
Use of flexible mechanisms and/or joint implementation with EU is assumed
- **Carbon Neutral by 2050**

# Kyoto 2 Procurement program

## **"Make a difference"**

- Identify projects in need of carbon revenues to keep going or to start/restart ("vulnerable projects")
- No purchases of already generated CERs

## **Procurement alternatives**

- CERs from vulnerable projects
- CERs from new projects (not commissioned)

## **Eligibility**

- All CDM project types are eligible, except HFC 23, N<sub>2</sub>O adipic acid and coal fired power plants without CCS
- All regions eligible. Special focus on regions underrepresented in our portfolio

**Norway – currently the largest active buyer of CDM credits**

# Vulnerable projects

- **Target:** Registered and commissioned CDM projects
- **Objective:** Prevent reversal of emission reduction activities
  - Procure credits from existing projects whose survival or continued emissions reduction activity depend on a higher carbon price than achievable under current market conditions
  - Projects must present proof that they face an imminent threat of closure in absence of carbon finance – or that they may already have shut down for same reason
- **Eligible:** Registered CDM-projects with no revenue-generating Emissions Reduction Purchase Agreement (ERPA)
- **Vintage:** CERs from emissions reductions through 2020

# Vulnerable projects (continued)

## Programs:

- **Direct procurement by the Norwegian Ministry of Climate and Environment**

- 20+ million CERs to be procured

Invitation at

[www.carbonneutralnorway.no](http://www.carbonneutralnorway.no)

- **Completed program**

- Norwegian Carbon Procurement Facility (**NorCap**)

- Managed by the Nordic Environment Finance Corporation (NEFCO) on behalf of the Norwegian Ministry of Climate and Environment
    - Preliminary volume: 30 million CERs

# New projects

- **Target:** New, and not yet commissioned CDM projects
- **Vintage:** CERs from emissions reductions generated through 2020
- **Programs:**
  - **Direct purchases by the Ministry of Climate and Environment**
  - **Purchases through funds**  
**Carbon Partnership Facility** (World Bank)  
Norway a major investor
  - **Piloting** scaled up crediting mechanisms
  - **NEFCO** – traditional CDM projects including PoAs

# Contact us

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