



NORWEGIAN MINISTRY OF
CLIMATE AND ENVIRONMENT



The Norwegian Carbon Credit Procurement Program

Bogota, 5 November 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, N₂O 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

- **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

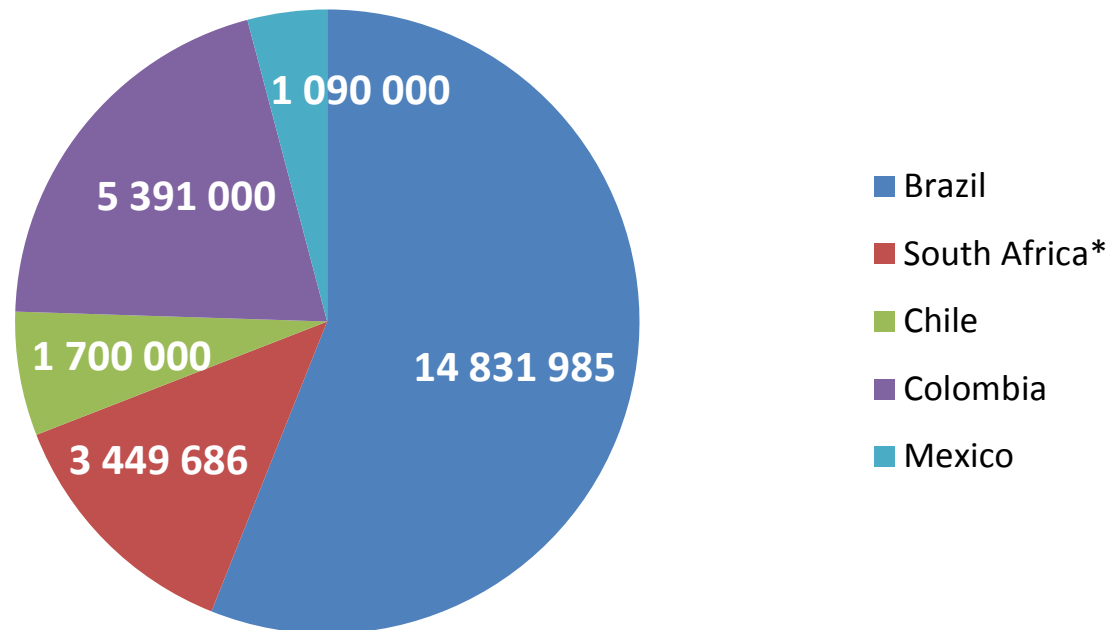
Two Calls for Proposals completed in 2014 and 2015

Very successful

- 402 complete proposals
- 318 million CERs offered
- 47 projects from PoAs
- 40 host countries
- Price range: 0.75-20 euro per CER (3.5 euro average)
- Second call included a separate LDC tranche
 - Price cap of 4 euro
- Total contracted volume (August 2015)
 - about 27 million CERs
- Average price: approx. € 2/CER

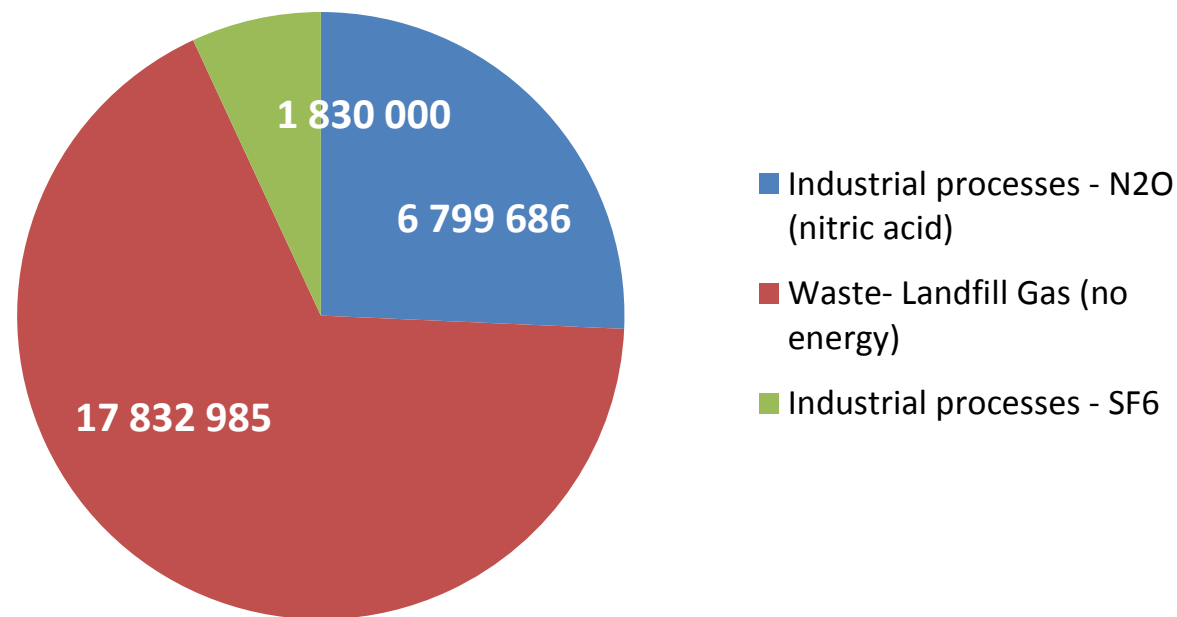
Portfolio by host country

Contracted volume: 26.4 m CERs (to date)



Portfolio by project type

Contracted volume: 26.4 m CERs (to date)



Contact us

The Norwegian Carbon Credit Procurement Program of
the Ministry of Climate and Environment

Sigurd Klakeg, Deputy Director General

Mobile: +47 90196831 – email:
sigurd.klakeg@kld.dep.no

Anne Smeby Evjen, Senior Advisor

Mobile: +47 40204170 – email:
anne-smeby.evjen@kld.dep.no

Web: www.carbonneutralnorway.no