



Nordic Council  
of Ministers

# **HARNESSING VOLUNTARY CARBON MARKETS FOR CLIMATE AMBITION**

**An action plan for Nordic cooperation**

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# FOREWORD

The latest IPCC assessment report and UN climate conference highlight the urgent need to accelerate climate action to deliver the Paris Agreement's long-term goal to limit temperature rise to 1.5 degrees. To achieve this, cooperation is crucial.

The Nordic countries are committed to working together to achieve carbon neutrality in the region and catalyse mitigation efforts also globally. Many Nordic non-state actors are also stepping up their efforts towards and beyond carbon neutrality.

Non-state actors have a key role in implementing the transition to a sustainable low carbon economy, first and foremost by reducing their own emissions. Carbon markets enable them to support even more mitigation by voluntarily buying carbon credits. The voluntary use of carbon credits can only be a supplement to ambitious and regulated mitigation, and to represent actual mitigation the use of such credits must be of high integrity. There is broad agreement on the need to ensure the integrity of carbon markets but views diverge on how to achieve it.

Perspectives Climate Research, Carbon Limits, IVL Swedish Environmental Research Institute and Tyrsky Consulting have carried out the Nordic Dialogue on Voluntary Compensation to explore Nordic perspectives on promoting the high integrity of the voluntary use of carbon credits. The dialogue was funded by the Nordic Working Groups for Climate and Air, and for Environment and Economy. However, the content of this report does not necessarily reflect the Nordic Council of Ministers' views, opinions, attitudes or recommendations.

Copenhagen, November 2022

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# ABOUT THE NORDIC DIALOGUE ON VOLUNTARY COMPENSATION

The Nordic Dialogue on Voluntary Compensation (“the Dialogue”) aimed to inform Nordic and international stakeholders on the voluntary use of carbon credits as part of broader efforts towards and beyond carbon neutrality.

Specifically, the Dialogue aimed to promote the high integrity, coherence and transparency of the voluntary use of carbon credits and related claims. A high-integrity carbon credit represents a real, additional and permanent emission reduction or removal (“mitigation outcome”) achieved outside of an actor’s boundaries or value chain. They can either help host countries in achieving their existing mitigation targets or help to reduce global net emissions above and beyond countries’ targets. Voluntary users of carbon credits may make public claims about contributing to national targets, offsetting the carbon footprint of their operations or products, or supporting global ambition-raising.

The Dialogue fostered a common understanding of key issues and concepts and alignment with the principles and long-term goals of the Paris Agreement and the United Nations Sustainable Development Goals. The Dialogue brought Nordic public and private actors together to co-create recommendations and action points for a Nordic best practice approach to the voluntary use of carbon credits, drawing on and complementing relevant international and national guidance and standards.

The Dialogue was managed by Perspectives Climate Research GmbH and facilitated by an international team of leading climate experts from Perspectives Climate Research, IVL Swedish Environmental Research Institute, Carbon Limits and Tyrsky Consulting. The Dialogue was funded by the Nordic Council of Ministers’ Working Groups for Climate and Air (NKL) and Environment and Economy (NME).

For more information, please visit: [www.nordicdialogue.com](http://www.nordicdialogue.com)

# ACKNOWLEDGEMENTS

The Nordic Dialogue on Voluntary Compensation (“Dialogue”) has been a co-creation process with public and private stakeholders from all Nordic countries. The Dialogue has been supported by a Working Group, consisting of stakeholders from all Nordic countries. The outputs of the Dialogue, including this report, do not represent any formal consensus or position of the members of the Working Group or their organisations.

The Dialogue benefitted greatly from the valuable contributions and perspectives from the experts that participated in the Working Group, including: Heidi Aardal (International Carbon Registry); Karin Bergbom (Ecolabelling Finland); Anna Denell (Vasakronan); Filip Dessle; Johan Eliasson (South Pole Sweden); Nina Elomaa (SOK); Ashley Farber (ZeroMission); Senja Forsman-Katainen; Gunnlaugur Guðjónsson (Icelandic Forest Service); Arnar Gauti Guðmundsson (Icelandair); Bård I. Hamre (Equinor); Ola Hansén; Kari Hämekoski (Nordic Environment Finance Corporation); Haukur Logi Jóhannsson (Icelandic Standards); Niklas Kaskeala (Compensate Foundation); Kati Kulovesi (Center for Climate Change, Energy and Environmental Law, University of Eastern Finland); Ville Laasonen (Ministry of the Environment of Finland); Thomas Larsen (EatCO2); Lasse Leipola (Finnwatch); Johan Møller Nielsen (Ministry of Climate, Energy and Utilities of Denmark); Johanna Niemistö (Finnish Environment Institute); John Nordbo (Care Denmark); Bernt Nordman (WWF Finland); Jens Olejak (South Pole Sweden); Karen Holm Olsen (UNEP Copenhagen Climate Centre); Ulrika Raab (Swedish Environmental Protection Agency); Elise Roc (Northern Lights); Stig Schjølset (Zero); Jyri Seppälä (Finnish Environment Institute); Guðmundur Sigbergsson (International Carbon Registry); Hanne Siikavirta (Ministry of the Environment of Finland); Peer Stiansen (Norwegian Ministry of Climate and Environment); Marianne Tikkanen (Puro.earth); Asbjørn Torvanger (CICERO); Claire Wigg.

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# ABBREVIATION LIST

BECCS	Bioenergy Carbon Capture and Storage
CCQI	Carbon Credit Quality Initiative
CCUS	Nordic Networking Group on Carbon Capture, Use and Storage
CDP	Carbon Disclosure Project
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CPLC	Carbon Pricing Leadership Coalition
CSRD	Corporate Sustainability Reporting Directive
GHG	Greenhouse Gas
GS4GG	Gold Standard for Global Goals
HINKU	Towards Carbon Neutral Municipalities Network
ICC	International Chamber of Commerce
ICLEI	Local Governments for Sustainability's report on carbon neutrality at the
ICROA	International Carbon Reduction and Offset Alliance
ICVCM	Integrity Council for Voluntary Carbon Market
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
ITMO	Internationally Transferred Mitigation Outcome
NDC	Nationally Determined Contribution
NICA	Nordic Initiative for Cooperative Approach
NKL	Nordic Council of Ministers' Working Groups for Climate and Air
NME	Nordic Council of Ministers' Working Groups for Environment and Economy
PAS	Publicly Available Specification
SBTi	Science-Based Target Initiative
SDG	Sustainable Development Goal
SDI	Sustainable Development Initiative
SME	Small and Medium-sized Enterprise
TPI	Transition Pathway Initiative
VCMI	Voluntary Carbon Markets Integrity Initiative

# ENGLISH SUMMARY

## **Promoting climate action with the voluntary use of carbon credits**

Many Nordic non-state actors are committed to ambitious climate action and are taking steps to contribute to worldwide efforts to limit the increase in the global average temperature to 1.5 degrees in line with the long-term goal of the Paris Agreement. First and foremost, all actors need to reduce their direct and indirect greenhouse gas (GHG) emissions within their boundaries or value chains at a scale and pace compatible with this long-term goal. These efforts contribute to the mitigation targets of the countries in which they are implemented and can help countries to enhance their targets over time. Collectively, countries' existing targets fall short of meeting the long-term goal, so mitigation beyond countries' existing targets is also urgently needed. In addition to addressing their own emissions, non-state actors can contribute even more to global mitigation efforts by supporting mitigation beyond their boundaries or value chains.

The voluntary use of carbon credits enables actors to support more, earlier and faster mitigation than what would be possible with own action alone, if the environmental and social integrity of voluntary mitigation activities can be ensured. To truly contribute to global climate action, the voluntary use of carbon credits needs to be of high integrity. This means that actors should use carbon credits only to complement – not to substitute – their efforts to reduce own emissions, and be transparent about their targets, emissions and carbon credit use. They should use high-quality carbon credits that represent real, additional, permanent and verified mitigation outcomes that are not double counted. Environmental and social safeguards should be applied. Claims about the use of carbon credits should be truthful and clear. While these general principles of the high-integrity voluntary use of carbon credits are well established, their interpretation in the dynamic context of the Paris Agreement is still evolving. International and national guidance on the high integrity of carbon credits and their voluntary use is under development.

## **Nordic perspectives on best practice for the voluntary use of carbon credits**

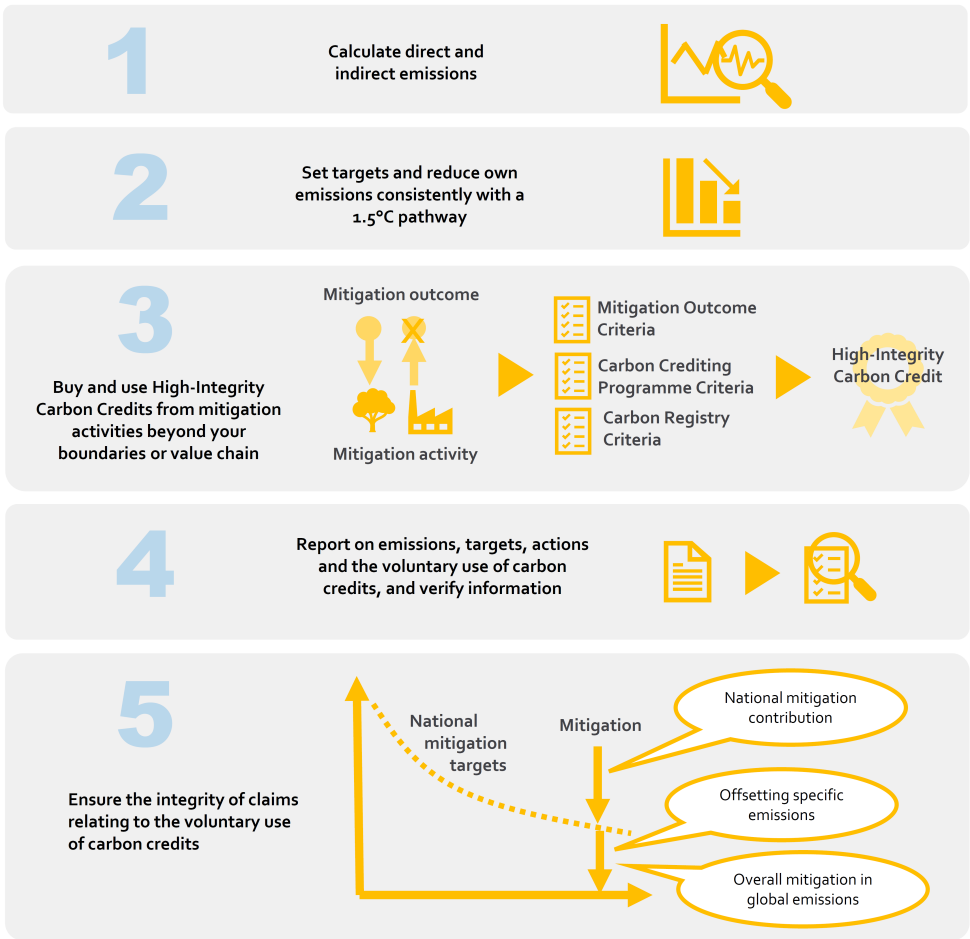
Nordic countries and non-state actors can contribute to national and international efforts to ensure the high integrity of market-based climate cooperation, drawing on over two decades of carbon market experience. Nordic cooperation serves as a valuable link between local and global actors, as well as an opportunity for sharing experiences and learning together.

The Nordic Dialogue on Voluntary Compensation (“the Dialogue”) was launched in June 2021 to provide support and guidance for the robust use of voluntary carbon markets towards and beyond carbon neutrality. Under the Dialogue, Nordic stakeholders have explored key concepts relating to the voluntary use of carbon credits and co-created a Nordic Code of Best Practice for the Voluntary Use of



Carbon Credits ("the Code"). The Code provides a Nordic perspective on the current best practice for the voluntary use of carbon credits, synthesising ambitious requirements and recommendations put forward by relevant initiatives as well as inputs from Nordic stakeholders. The Code's specific focus on *best practice* complements relevant international and national initiatives. Even where best practice may currently be out of reach, it serves as an aspirational goal to drive a process of continuous improvement.

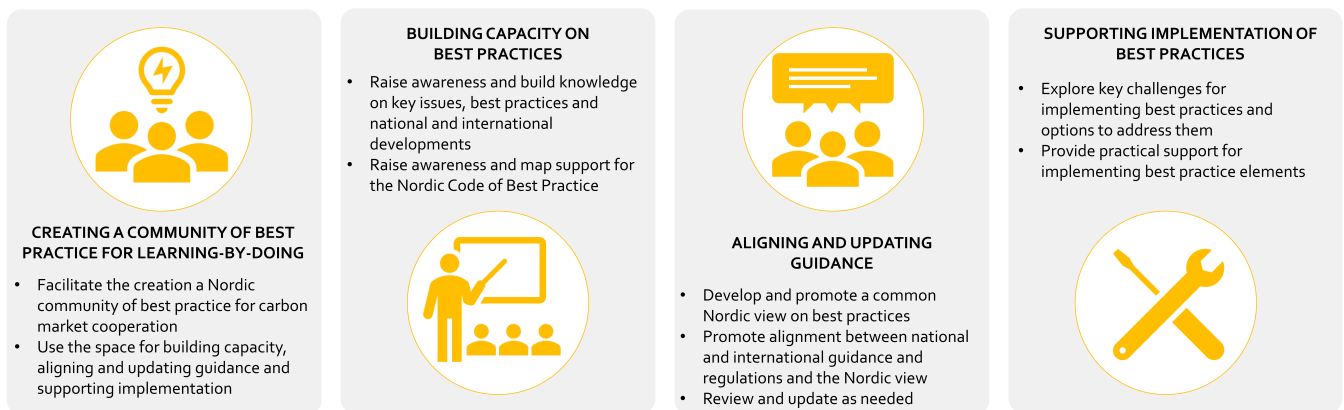
This report focuses on voluntarily supporting mitigation (emission reductions and removals) through the purchase and use of mitigation outcomes achieved outside of an actor's boundaries or value chain. This mitigation could help the host country in meeting its existing targets or help to reduce global net emissions above and beyond countries' targets, thus contributing to global ambition-raising. In the Code, claims relating to the voluntary use of carbon credits are differentiated depending on their net impact on global emissions, which in turn depends on whether they count towards or beyond the host country's existing mitigation targets and whether they are used to counterbalance specific emissions attributed to e.g., an organisation, product or service.



**Figure 1.** Nordic best practice for the voluntary use of carbon credits

## Recommendations for Nordic cooperation on promoting best practice for the voluntary use of carbon credits

Through the Dialogue, Nordic stakeholders identified areas where further Nordic cooperation could be valuable for promoting best practice for the voluntary use of carbon credits, and carbon market cooperation in general. First, a Nordic community of best practice should be set up, as a platform for learning-by-doing for Nordic stakeholders and their international peers. There is an ongoing need to build capacity and raise awareness on key issues relating to best practices in carbon market cooperation, including awareness of the Code, and to map international and national developments in the field. There is also a need to develop a common Nordic view on key issues. The Code could be taken as a starting point, and it could be complemented with additional elements and details. To maintain the credibility and relevance on Nordic views on best practice, there is an ongoing need to engage in the national and international developments, promote alignment with Nordic views on best practice, and update Nordic views as needed. Last but not least, there is a need for practical support and tools for implementing the best practice elements in various contexts.



**Figure 2.** Action plan for Nordic cooperation on best practice for the voluntary use of carbon credits

# SVENSK SAMMANFATTNING

## Främjande av klimatåtgärder genom frivillig användning av växthusgaskrediter

Många nordiska icke-statliga aktörer åtar sig att genomföra ambitiösa klimatåtgärder och tar steg för att finansiera internationella klimatinsatser för att bidra till att begränsa ökningen av den globala medeltemperaturen till 1,5 grader i linje med Parisavtalets långsiktiga mål. Högsta prioritet måste vara att alla aktörer minskar direkta och indirekta växthusgasutsläpp som uppstår i anslutning till deras värdekedjor i en skala och i en takt som är förenlig med det långsiktiga globala temperaturmålet. Dessa ansträngningar bidrar då till uppfyllnad av mål att begränsa nettoutsläppen av växthusgaser huvudsakligen i de länder där de genomförs och kan därmed hjälpa dessa länder att kunna skärpa sina mål över tid. Sammantaget kommer emellertid ländernas befintliga mål inte att räcka till för att nå det långsiktiga målet, så ytterligare åtgärder för att begränsa nettoutsläppen utöver ländernas befintliga mål behövs omgående. Utöver att ambitiöst ta itu med sina egna utsläpp kan icke-statliga aktörer bidra till ytterligare växthusgasminskningar genom att stödja åtgärder även utanför deras egna värdekedjor.

Att använda växthusgaskrediter på frivillig basis gör det möjligt för aktörer att stödja växthusgasminskningar i större kvantiteter, tidigare och snabbare än vad som skulle vara möjligt med enbart egna åtgärder, förutsatt att den miljömässiga och sociala integriteten kan säkerställas hos de växthusgasminskande aktiviteter som är associerade med växthusgaskrediterna.

Aktörer bör alltså använda växthusgaskrediter endast för att komplettera – inte för att ersätta – sina ambitiösa ansträngningar för att minska de egna utsläppen och bör vidare vara transparenta om sina mål, utsläpp och användning av växthusgaskrediter. De bör använda växthusgaskrediter av hög kvalitet som representerar verkliga, additionella, permanenta och verifierade växthusgasminskningar som inte räknas dubbelt. Miljömässiga och sociala skyddsåtgärder bör dessutom tillämpas, som minst lever upp till en miniminivå. Påståenden om växthusgaskrediters användning skall vara sanningsenliga och tydliga. Dessa generella principer för en användning av växthusgaskrediter som präglas av hög integritet är väletablerade, men hur de tolkas utvecklas kontinuerligt inom Parisavtalets dynamiska kontext. Internationell och nationell vägledning om växthusgaskrediters integritet och om frivillig användning av desamma är under utveckling.

## **Nordiska perspektiv på bästa praxis inom frivillig användning av växthusgaskrediter**

Med över två decenniers erfarenhet av aktiv medverkan på växthusgasmarknader har de nordiska länderna och icke-statliga aktörer i Norden goda förutsättningar att bidra till nationella och internationella ansträngningar för att säkerställa att marknadsbaserat klimatsamarbete präglas av hög integritet. Nordiskt samarbete fungerar som en värdefull länk mellan det lokala och det globala och tjänar till erfarenhetsutbyte och kollektivt lärande.

Den nordiska dialogen om frivillig kompensation ("dialogen") lanserades i juni 2021 för att ge stöd och vägledning om en robust användning av frivilliga växthusgasmarknader i en strävan mot växthusgasneutralitet. Under dialogen har nordiska intressenter utforskat nyckelbegrepp som rör frivillig användning av växthusgaskrediter och samskapat en nordisk kod för bästa praxis för frivillig användning av växthusgaskrediter ("koden").

Koden ger ett nordiskt perspektiv på nuvarande bästa praxis för frivillig användning av växthusgaskrediter, genom att syntetisera de mest ambitiösa kraven och rekommendationerna från relevanta initiativ samt inspel från nordiska intressenter. Kodens specifika fokus på bästa praxis kompletterar relevanta internationella och nationella initiativ. Även där bästa praxis för närvarande kan vara utom räckhåll, fungerar det som ett ambitiöst mål att driva en process som leder till ständiga förbättringar.

Den här rapporten fokuserar på frivilligt stöd till växthusgasminskningar (utsläppsminskningar och/eller upptag av koldioxid från atmosfären i sänkor) genom köp och användning av växthusgaskrediter. Sådana krediter utfärdas baserat på det verifierade resultatet av klimatåtgärder som genomförs utanför en aktörs gränser eller värdekedja. Klimatåtgärderna kan hjälpa värdländer att uppfylla sina befintliga mål eller hjälpa till att minska de globala nettoutsläppen utöver ländernas mål, och på så sätt bidra till att höja den sammantagna globala ambitionsnivån. I koden är påståenden som rör frivillig användning av växthusgaskrediter differentierade beroende på vad krediterna har för nettoeffekt på de globala utsläppen, vilket i sin tur hänger samman med dels om de räknas in i värdlandets befintliga klimatmål eller om de bidrar till växthusgasminskningar utöver dessa, dels om de används för att kvitta specifika växthusgasutsläpp som relaterar till t.ex. en organisation, produkt eller tjänst.

## **Rekommendationer om nordiskt samarbete för att främja bästa praxis inom frivillig användning av växthusgaskrediter**

Genom dialogen identifierade nordiska intressenter områden där ytterligare nordiskt samarbete kan vara värdefullt för att främja bästa praxis för frivillig användning av växthusgaskrediter. För det första bör en nordisk grupp för bästa praxis skapas, för att erbjuda en plattform för lärande baserat på erfarenheter. Det finns ett ständigt behov av att bygga kapacitet och öka medvetenheten om nyckelfrågor som rör bästa praxis för marknadsbaserat samarbete inom klimatområdet, inklusive medvetenhet om koden, och att kartlägga både internationell och nationell

utveckling inom området. Det finns också ett behov av att utveckla en gemensam nordisk syn på nyckelfrågor. Koden kan tas som utgångspunkt och den kan kompletteras med ytterligare element och detaljer. För att bibehålla trovärdigheten och relevansen för nordiska ståndpunkter om bästa praxis, finns det ett ständigt behov av att följa och engagera sig i den nationella och internationella utvecklingen, främja anpassning till de nordiska ståndpunkterna om bästa praxis och revidera och uppdatera de nordiska ståndpunkterna vid behov. Sist men inte minst finns det ett behov av praktiskt stöd och verktyg för att implementera bästa praxis-elementen i olika sammanhang.

# TIIVISTELMÄ SUOMEKSI

## **Ilmastotyön vapaaehtoinen tukeminen päästövähennyksiä tai poistumia edustavilla yksiköillä**

Monet pohjoismaiset ei-valtiolliset toimijat ovat sitoutuneet kunnianhimoisiin ilmastotoimiin ja tukevat toimillaan maailmanlaajuisia ponnisteluja maailman keskilämpötilan nousun rajoittamiseksi 1,5 asteeseen Pariisin sopimuksen pitkän aikavälin tavoitteen mukaisesti. Kaikkien pitää ennen muuta vähentää suoria ja epäsuoria kasvihuonekaasujen päästöjä omassa toiminnassaan ja arvoketjuissaan tämän pitkän aikavälin tavoitteen mukaisesti. Nämä toimet tukevat päästötavoitteiden saavuttamista maissa, joissa ne toteutetaan, ja voivat ajan oloon auttaa maita sitoutumaan entistä vahvempiin tavoitteisiin. Yhteenlaskettuna maiden nykyiset tavoitteet jäävät kuitenkin kauas pitkän aikavälin tavoitteen saavuttamisesta, joten tarvitaan kiireellisesti myös ne ylittäviä ilmastotoimia. Omien päästöjen vähentämisen ohella ei-valtiolliset toimijat voivat vauhdittaa ilmastomuutoksen torjumista tukemalla ilmastotoimia oman toimintansa ja arvoketjunsä ulkopuolella.

Ilmastotoimien tuottamien, päästövähennyksiä tai hiilensidonnan lisäyksiä edustavien yksiköiden vapaaehtoinen käyttö antaa toimijoille mahdollisuuden tukea suurempia, aikaisempia ja nopeampia ilmastotoimia kuin olisi mahdollista saavuttaa yksin omin voimin, kunhan vapaaehtoisten toimien ja niiden vaikutuksen ympäristö- ja sosiaalinen kestävyys pystytään varmistamaan. Yksiköitä tulisi käyttää vain täydentämään – ei korvaamaan – toimijoiden omien päästöjen vähentämistä, ja toimijoiden tulisi olla avoimia tavoitteiden, päästöjen ja yksiköiden käytön suhteen. Niiden tulisi käyttää korkealaatuisia yksiköitä, jotka perustuvat todellisiin, lisäisiin, pysyviin ja todennettuihin ilmastotoimien tuloksiin (päästövähennyksiin tai hiilensidonnan lisäyksiin). Käytön tulee myös noudattaa ympäristö- ja sosiaalisia reunaehtoja ja välttää kaksoislaskenta. Yksiköiden käyttöä koskevien väitteiden tulee olla totuudenmukaisia ja selviä. Vaikka nämä ylätasen periaatteet korkealaatuisten yksiköiden vapaaehtoiselle käytölle ovat jo vakiintuneet, käytänteet niiden soveltamisesta, erityisesti Pariisin sopimuksen kehittyvässä viitekehityksessä, kehittyvät jatkuvasti. Kansainvälistä ja kansallista ohjeistusta korkealaatuisista yksiköistä ja niiden vapaaehtoisesta käytöstä kehitetään parhaillaan.

## **Pohjoismaisia näkökulmia ilmastotoimien tuottamien yksiköiden vapaaehtoisen käytön parhaista käytänteistä**

Pohjoismaiset valtiot ja ei-valtiolliset toimijat voivat osallistua kansallisiin ja kansainvälisiin toimia korkealaatuisen markkinaperustaisen ilmastoyhteistyön varmistamiseksi, hyödyntäen yli 20 vuoden kokemusta kansainvälisistä päästömärkkinöistä. Pohjoismainen yhteistyö tuo yhteen paikalliset ja kansainväliset toimijat ja tarjoaa arvokkaita mahdollisuuksia kokemusten jakamiseen ja yhdessä oppimiseen.

Pohjoismainen vuoropuhelu vapaaehtoisesta päästökompensaatiosta käynnistettiin kesäkuussa 2021 tarjoamaan tukea ja ohjeistusta vapaaehtoisten päästömärkkinöiden laadukkaalle käytölle kohti hiilineutraaliutta ja siitä eteenpäin. Vuoropuhelussa pohjoismaiset sidosryhmät ovat tarkastelleet keskeisiä käsitteitä liittyen ilmastotoimien tuottamien yksiköiden vapaaehtoiseen käyttöön ja luoneet yhdessä pohjoismaisen ohjeen yksiköiden vapaaehtoisen käytön parhaista käytänteistä.

Ohje tarjoaa pohjoismaisen näkökulman nykyisistä parhaista käytänteistä ilmastotoimien tuottamien yksiköiden vapaaehtoiselle käytölle vetäen yhteen kunnianhimoisia vaatimuksia ja suosituksia keskeisiltä aloitteilta sekä syötteitä pohjoismaisilta sidosryhmiltä. Ohje keskittyy nimenomaan parhaisiin käytänteisiin, ja täydentää näin muita keskeisiä kansainvälisiä ja kansallisia aloitteita. Silloinkin kun parhaat käytänteet ovat vielä tällä hetkellä tavoittamattomissa, ne toimivat tavoitteellisena maalina, joka kannustaa toiminnan jatkuvaan kehittämiseen.

Tämä raportti keskittyy mahdollisuuteen tukea vapaaehtoisesti oman toiminnan ulkopuolisia päästövähennyksiä tai poistumia hankkimalla ja käyttämällä niihin perustuvia yksiköitä. Nämä toimet voivat auttaa kohdemaata saavuttamaan nykyisiä päästötavoitteitaan tai vähentää maailman nettopäästöjä yli maiden tavoitteiden, mikä nostaisi maailmanlaajuisen ilmastotyön kunnianhimon tasoa.

Ohjeessa yksiköiden vapaaehtoista käyttöä koskevat väitteet on eriytetty sen mukaan, miten ne vaikuttavat maailmanlaajuisiin nettopäästöihin. Tämä puolestaan riippuu siitä, lasketaanko yksiköiden perustana olevat ilmastovaikutukset mukaan maiden nykyisiin päästötavoitteisiin vai tulevatko ne niiden päälle sekä käytetäänkö yksiköitä kumoamaan tiettyjä esimerkiksi organisaatioon tai tuotteeseen liittyvien päästöjen ilmastohaittaa.

## **Suosituksia pohjoismaiselle yhteistyölle ilmastotoimien tuottamien yksiköiden vapaaehtoisen käytön parhaiden käytänteiden edistämisestä**

Vuoropuhelun kautta pohjoismaiset sidosryhmät ovat tunnistaneet aihealueita, joille pohjoismainen yhteistyö voisi tuoda lisäarvoa ilmastotoimien tuottamien yksiköiden vapaaehtoisen käytön parhaiden käytänteiden edistämisessä ja päästömärkkinayhteistyössä laajemminkin. Ensinnäkin tulisi perustaa pohjoismaisten sidosryhmien ja kansainvälisten kumppanien kesken pohjoismaiden parhaiden käytänteiden yhteisö, joka voisi toimia alustana yhdessä oppimiselle. Työssä on tunnistettu tarve vahvistaa valmiuksia ja lisätä tietoisuutta

päästömarkkinayhteistyön parhaisiin käytänteisiin liittyvistä aiheista, mukaan lukien pohjoismaisen ohjeen tunnettuus, ja kartoittaa alan kansainvälistä ja kansallista kehitystä. On myös tarpeen muodostaa yhteinen pohjoismainen kanta keskeisistä kysymyksistä. Ohjetta voidaan käyttää tässä perustana, ja sitä voidaan myös täydentää ja tarkentaa. Pohjoismaisten parhaiden käytänteiden uskottavuuden ja käyttökelpoisuuden säilyttämiseksi pitäisi myös seurata kansallista ja kansainvälistä kehitystä sekä osallistua kehittämistyöhön, edistää kansainvälisten aloitteiden yhteensopivuutta pohjoismaisten parhaiden käytänteiden kanssa sekä uudistaa ja päivittää pohjoismaisia suosituksia tarvittaessa. Viimeisenä mutta ei vähäisimpänä tarvitaan käytännön tukea ja työkaluja parhaiden käytänteiden toteuttamiseen erilaisissa yhteyksissä.



# PART 1. PROMOTING CLIMATE ACTION WITH THE VOLUNTARY USE OF CARBON CREDITS

**The long-term goals of the Paris Agreement can be met only if all actors prioritise ambitious reductions in their own emissions. Actors can complement these efforts through the voluntary use of carbon credits to do more, faster. To truly contribute to global climate action, the voluntary use of carbon credits needs to be of high integrity. The underlying activities can and should foster sustainable development also beyond mitigation impacts, and avoid negative environmental and social impacts.**

## **Working together towards and beyond carbon neutrality**

Under the Paris Agreement, countries have agreed to a global goal to limit global warming to 1.5 degrees and achieve a balance between greenhouse gas (GHG) emissions and removals globally in the second half of this century. However, countries' current mitigation commitments fall significantly short of the scale and pace needed to meet the Paris Agreement's long-term goals.

To close this "ambition gap", climate change mitigation efforts worldwide must be urgently stepped up by increasing emission reductions and removals at an unprecedented pace and scale. Countries need to implement their existing national targets and also increase their ambition. Action by non-state actors is key to achieving and enhancing national targets, and it can also support mitigation beyond current national targets. We need to engage the whole of society in taking action and cooperate across boundaries to succeed in this crucial transformation. Cooperation is a powerful tool for enhancing learning, scaling and cost-effectiveness which, in turn, can drive greater ambition.

The Paris Agreement recognises that market-based cooperation under its Article 6 allows for higher ambition in climate action. The Article 6 framework can be applied to market-based cooperation for meeting national targets as well as for other purposes, including the voluntary use of carbon credits for offsetting. Countries that choose to participate in such cooperation must ensure environmental integrity, apply robust accounting and promote sustainable development. They must set up national arrangements for authorising mitigation outcomes as internationally transferred mitigation outcomes (ITMOs), tracking their transfer and use and adjusting their national emissions balances to avoid double counting. The Paris Agreement also establishes the international Article 6.4 Mechanism for issuing Article 6.4 Emission Reductions (A6.4ERs) for mitigation outcomes that meet the mechanism's quality criteria. These units can, in turn, be authorised by host countries as ITMOs.

Nordic countries are committed to leading by example. In the Helsinki Declaration on Nordic Carbon Neutrality<sup>1</sup> (January 2019), Nordic countries committed to catalysing global mitigation efforts, scaling up of Nordic sustainable solutions, working towards

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1. In the Nordic context, carbon neutrality includes also other GHGs besides carbon dioxide.

carbon neutrality in the five Nordic countries and intensifying their cooperation to "encourage Nordic companies, investors, local governments, cities, organizations and consumers to step up their efforts towards carbon neutrality". Nordic countries have jointly stated that they " 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" and "continue to engage with partners across the world to support the transition to climate neutrality, by offering support in developing appropriate policy frameworks, financing climate action as well as through the innovative solutions Nordic companies can supply" (Nordic Council and the Nordic Council of Ministers, 2021).

Many Nordic non-state actors have already taken steps towards achieving carbon neutrality, and even net-negative emissions, including by setting voluntary mitigation targets, developing mitigation strategies and taking concrete mitigation action.

### **Accelerating mitigation with the voluntary use of carbon credits**

For all actors, the first and foremost strategy for moving towards – and beyond – carbon neutrality is taking action to reduce their direct and indirect emissions. Ambitious action to reduce own emissions is crucial for limiting global warming to 1.5 degrees.

However, for many actors, the full elimination of own emissions is not a feasible option, and even if possible, can take time. Actors can complement their own efforts by supporting emission reductions and/or removals (jointly referred to as mitigation outcomes) achieved outside of their value chains and boundaries. This can be done by buying carbon credits that are issued by carbon crediting programmes for mitigation outcomes that meet certain quality criteria. The voluntary purchase and use of carbon credits enables actors to support more, faster and/or earlier mitigation than what they could achieve with ambitious own action alone.

Carbon credits are commonly used to voluntarily compensate for emissions associated with organisations, products or services. There is no universal definition for voluntary compensation, and the term is currently used and understood in different ways (see Box 1). Thus, for the sake of clarity, this report refers to the voluntary purchase and use of carbon credits representing additional mitigation achieved outside of an actor's boundaries or value chain. This mitigation could help the host country in meeting its existing targets or help to reduce global net emissions above and beyond countries' targets, thus contributing to global ambition-raising. Based on the voluntary use of carbon credits, users may make public claims about contributing to national targets, counterbalancing specific emissions or supporting global ambition-raising.

To truly contribute to global climate action, the voluntary use of carbon credits needs to be of high integrity. This means that actors should use carbon credits only to complement – not substitute – their efforts to reduce own emissions, and be transparent about their targets, emissions and carbon credit use. They should use high-quality carbon credits that represent real, additional, permanent and verified mitigation outcomes that are not double counted. Environmental and social

safeguards should be applied. Claims about the use of carbon credits should be truthful and clear. While these general principles of the high-integrity voluntary use of carbon credits are well established, their interpretation in the dynamic context of the Paris Agreement is still evolving. International and national guidance on the high integrity of carbon credits and their voluntary use is under development.

The voluntary use of carbon credits could serve as a tool for Nordic countries and non-state actors for taking responsibility for emissions and catalysing mitigation within and beyond the Nordic region. Nordic countries can play an important role in promoting the high integrity of the voluntary use of carbon credits, including by providing best practice guidance and promoting alignment with national targets and market-based cooperation under Article 6 of the Paris Agreement. Nordic non-state actors can voluntarily use carbon credits to develop and support high-integrity mitigation activities within and outside the Nordic region. They could use carbon credits to compensate for own or collective national emissions.

The voluntary purchase of carbon credits is one, but not the only way, for actors to support mitigation beyond their value chains (see Box 1). Financial support could be provided in advance and/or against results, for the implementation of activities and/or for specific results achieved through the activities. This report focuses on how actors can support beyond-value-chain mitigation through the voluntary purchase and use of high-integrity carbon credits. This is a form of results-based payments for mitigation outcomes that are quantified in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and certified to have met criteria relating to, *inter alia*, additionality and permanence.

**Box 1. Voluntary compensation, voluntary offsetting, voluntary use of carbon credits and beyond-value-chain-mitigation – what is the difference and why does terminology matter?**

To date, compensation and offsetting have often been used as synonyms, referring to the use of carbon credits exclusively to counterbalance an equivalent volume of emissions so that their combined contribution to global emissions is zero. Indeed, until 2020, voluntary compensation and offsetting were largely synonymous in practice, since the voluntary use of carbon credits was almost exclusively focused on offsetting. Furthermore, until 2020, voluntary carbon credits primarily originated from countries without national mitigation targets, and thus were exclusively available for voluntary offsetting claims.

From 2021 onwards, however, almost all countries in the world have mitigation targets under the Paris Agreement. Consequently, a significant share of the mitigation associated with new carbon credits will contribute to host country targets and will thus not be exclusively available for voluntary offsetting claims. This has prompted the development of new concepts to describe voluntary support for mitigation beyond an actor's value chain or boundary (beyond-value-chain mitigation (SBTi, 2021)) and the voluntary use of carbon credits to support the achievement of existing national targets (mitigation contribution or impact claims (GS4GG, 2022)). By contrast, the voluntary use of carbon credits for offsetting, in its traditional sense, would be limited to supporting mitigation *beyond* existing national targets.

Under the Nordic Dialogue on Voluntary Compensation, "voluntary compensation" was used as a term that encompasses the voluntary use of carbon credits for both offsetting and non-offsetting purposes. This is in line with the UNFCCC's Race to Zero (2021), which defines compensation as including "offsetting, but also all other activities an actor makes outside its value chain that are contributions to mitigation."

The Dialogue's broader use of the term voluntary compensation has caused confusion among some Nordic and international stakeholders, especially when it has been assumed to be synonymous to offsetting. To avoid confusion going forward, this report refers to "the voluntary use of carbon credits" instead of "voluntary compensation". The voluntary use of carbon credits is clear and self-explanatory, and does not contain any implicit assumptions about the motivation for the use, or related claims.

"Beyond-value-chain mitigation" is a broader concept coined by the Science-Based Targets initiative (SBTi) in its Net-Zero Standard (SBTi, 2021). It refers to "mitigation action or investments that fall outside of a company's value chain", including support delivered through the voluntary purchase of carbon credits as well as other forms of support. Under SBTi, companies must meet their science-based targets without carbon credits, by reducing their value chain emissions. In addition, companies are encouraged to support beyond-value-chain-mitigation. According to SBTi, "offsetting" is often understood as the purchase of carbon credits only "as a

replacement for reducing value chain emissions in line with their near and long-term science-based targets".

By contrast, the Dialogue highlights that the term "offsetting" can also include the use of carbon credits to complement, rather than replace, companies' own reductions of their value chain emissions in line with a 1.5°C-aligned pathway. High-quality carbon credits can be used to voluntarily offset emissions that remain after companies' 1.5°C-aligned reductions on their pathway towards net zero. Such complementary use of offsetting can raise ambition. Thus, the Dialogue's recommendations for best practice – buying and using high-quality carbon credits in addition to reducing own value chain emissions in line with 1.5°C are fully in line with the SBTi's recommendations for supporting beyond-value-chain mitigation.

## Fostering sustainable development

The 2030 Agenda for Sustainable Development introduces 17 globally agreed Sustainable Development Goals (SDGs) and 169 related targets covering the three dimensions of sustainable development: economic, social and environmental. SDG 13 calls for taking urgent action to combat climate change and its impacts, covering climate change mitigation and adaptation. The Paris Agreement emphasises “the intrinsic relationship that climate change actions, responses and impacts have with equitable access to sustainable development and eradication of poverty”. Accordingly, the Paris Agreement requires Parties that engage in market-based cooperation under Article 6 of the Paris Agreement to, inter alia, promote sustainable development, while minimising and, where possible, avoiding negative environmental, economic and social impacts. They are also required to “respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity” (UNFCCC, 2021a; UNFCCC, 2021b).

In their Vision 2030, Nordic countries state that “Agenda 2030 and the Paris Agreement show the way, but we need to work even more ambitiously and faster”. The voluntary use of carbon credits can and should contribute to mitigation in a way that fosters sustainable development also beyond mitigation impacts. At the very least, activities that generate carbon credits should avoid negative environmental, economic and social impacts by identifying and assessing risks and applying environmental and social safeguards. In addition, activities should generate positive sustainable development impacts.

Within the global SDG agenda, countries are setting national sustainable development priorities. Activities that generate carbon credits should align with and contribute to the host country's sustainable development priorities. Buyers can choose to support activities that also align with their own sustainable development priorities. For example, the Nordic Initiative for Cooperative Approaches (NICA) has highlighted gender equality as a Nordic priority for carbon market cooperation (NEFCO, 2018). The voluntary use of carbon credits can promote gender equality by supporting gender-responsive or gender-transformative activities. Although carbon credits are focused on mitigation, activities that generate carbon credits can contribute also to climate change adaptation – directly through the design of the underlying activity and/or indirectly through earmarked contributions to adaptation (for example, by forwarding a share of carbon credits to the international Adaptation Fund to support adaptation, in line with requirements under Article 6.4 of the Paris Agreement).

# PART 2. NORDIC PERSPECTIVES ON BEST PRACTICE FOR THE VOLUNTARY USE OF CARBON CREDITS

**Under the Nordic Dialogue on Voluntary Compensation (“Dialogue”), Nordic stakeholders have promoted a common understanding of key issues and concepts and co-created the Nordic Code of Best Practice for the Voluntary Use of Carbon Credits (“Code”). The Code’s specific focus on best practice principles complements, and strives to be coordinated with, relevant international initiatives on the voluntary use of carbon credits and related claims. A glossary of key terms used in the Code is provided in English, Swedish, Norwegian and Finnish.**



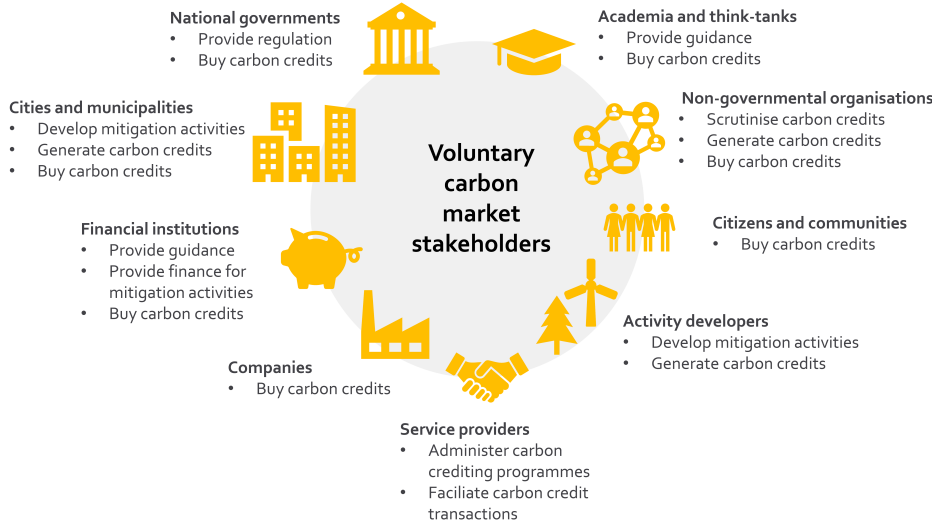
## **The case for Nordic cooperation on the voluntary use of carbon credits**

The Nordic Dialogue on Voluntary Compensation (“Dialogue”) brought Nordic stakeholders (Figure 3) together to promote a common understanding of key issues and concepts for the voluntary use of carbon credits, to co-create a Nordic best practice approach to the voluntary use of carbon credits and to identify potential areas for further Nordic cooperation.

The Dialogue started in June 2021 with consultations with Nordic stakeholders, confirming the value of, and identifying priorities for, Nordic cooperation on the voluntary use of carbon credits. According to an online survey<sup>2</sup> and poll<sup>3</sup> with Nordic stakeholders, priorities for Nordic cooperation include ensuring that the voluntary use of carbon credits is based on real climate benefits and accompanied by clear and comparable information, and any related claims and market are responsible and truthful. There was broad support for agreeing on Nordic principles for best practice and developing guidance for their implementation. Nordic stakeholders also highlighted the need for awareness-raising among consumers and other stakeholders on the high-integrity voluntary use of carbon credits, including existing guidance, and the importance of having a common understanding of terminology relating to targets, the use of carbon credits and related claims. The terminology should be aligned across Nordic countries, within the EU as well as internationally.

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2. Conducted between 22 June and 31 August 2021, with 72 responses (92% Nordic stakeholders, 8% other stakeholders)
  3. Conducted during a stakeholder event on 28 October 2021, with 131 participants (87% Nordic stakeholders, 13% other stakeholders)

Responding to these needs and priorities, the Nordic stakeholders co-created the Nordic Code of Best Practice for the Voluntary Use of Carbon Credits ("Code", see Annex 1) and an action plan for Nordic cooperation under the Dialogue. The Code provides a Nordic perspective on the current best practice for the voluntary use of carbon credits. Key elements of the Code are described in more detail below. Glossaries of key terms used in the Code are provided in English, Finnish, Swedish and Norwegian (Annex 2). The action plan identifies further opportunities for Nordic cooperation on promoting the high-integrity use of carbon credits, including support for the practical application of the Code. These are presented in more detail in Part 3 of this report.



**Figure 3.** Voluntary carbon market stakeholders



## The Nordic Code of Best Practice for the Voluntary Use of Carbon Credits

### Complementing national and international guidance

The Code provides a Nordic perspective on the current best practice for the voluntary use of carbon credits, in the context of the long-term goals of the Paris Agreement and the UN SDGs.

The Code's specific focus on *best practice* principles complements, and strives to be coordinated with, relevant international initiatives on the voluntary use of carbon credits and related claims, such as the Integrity Council for Voluntary Carbon Markets (ICVCM) and the Voluntary Carbon Markets Integrity Initiative (VCMI). The



Code synthesises ambitious requirements and recommendations for the voluntary use of carbon credits put forward by relevant international sources as well as input from Nordic stakeholders through consultations<sup>4</sup>. It takes the international rules and guidance for market-based cooperation under Article 6 of the Paris Agreement as the global reference point and framework also for the voluntary use of carbon credits. It also reflects over two decades of Nordic experience and priorities in carbon market cooperation. It does not, however, represent any formal Nordic consensus or position and it does not replace national or international regulation.

The Code is the final result of a co-creation process with Nordic stakeholders under the Dialogue. It can be utilised as a basis for promoting alignment of best practice guidance and regulation in the Nordic region and internationally. Going forward, if the Code is to be actively used, it would require a strong "owner" to manage its implementation, review and updates in line with the latest developments in best practice.

The Code focuses on high-level principles for current best practice for the voluntary use of carbon credits. To apply these principles in practice, actors can make use of available and emerging guidance and standards. For example, the International Organization for Standardization (ISO) and the GHG Protocol provide guidance on the quantification and reporting of emissions, and the Science-Based Targets initiative (SBTi) on 1.5°C-aligned corporate targets. The Integrity Council for Voluntary Carbon Markets (ICVCM) and the Carbon Credit Quality Initiative (CCQI) have developed guidance on high-integrity carbon credits. The Voluntary Carbon Market Integrity Initiative (VCMI) focuses on corporate claims, and the International Chamber of Commerce (ICC), the European Commission and many national authorities provide guidance on green claims and good marketing practices. Box 4 includes non-exhaustive examples of relevant guidance and standards for implementing the requirements and recommendations of this Code and promoting global alignment in best practice.

### **Informing and inspiring stakeholders**

The Code provides a set of current best practice principles and goals for actors engaged in a journey towards – and potentially beyond – carbon neutrality. Even where some best practice options may be out of reach at some points in time - for example due to lack of resources, lack of relevant guidance or limited supply of carbon credits - that represent mitigation beyond national targets, they serve as aspirational goals to drive a process of continuous improvement. Striving for best practice is a strategy for mitigating and managing reputational, market and regulatory risks associated with the voluntary use of carbon credits. Frontrunners can lead by example and inspire others by piloting and sharing solutions for best practice in their voluntary use of carbon credits, creating enabling environments and demonstrating the opportunities associated with best practice.

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4. A public online consultation was open to Nordic stakeholders from 8 June to 20 August 2022. The results of this consultation are summarised in Annex [3]. In addition, Nordic stakeholders, including but not limited to the members of the Dialogue's Working Group, have provided input throughout the Dialogue.

*Even where best practice may currently be out of reach, the Code serves as an aspirational goal to drive a process of continuous improvement. Striving for best practice is a strategy for mitigating and managing risks associated with the voluntary use of carbon credits.*

The Code can inform various types of stakeholders interested in the high integrity of carbon credits, their voluntary use and related claims, including mitigation activity developers, carbon credit sellers and buyers, service providers and regulators as well as civil society organisations and the general public, both in the Nordic region and worldwide.

### **Best practice requirements and recommendations**

Best practice use of carbon credits is about taking responsibility for emissions, not about licensing emissions. Actors that aim for best practice in their voluntary use of carbon credits should meet the Code's requirements and recommendations relating to

- 1. Robust and comprehensive quantification of relevant emissions**, which essentially means knowing your emissions: estimating direct and indirect emissions using robust, recognised approaches. This is key information for supporting own emission reductions. For a company, best practice means quantifying so-called scope 1, 2 and 3 emissions in line with recognised standards such as the ISO, GHG Protocol and SBTi. If the actor wants to match the volume of carbon credits with emissions from a particular activity, product or service, best practice requires relevant emissions to be quantified in line with recognised standards. According to best practice, organisations must have the calculations verified by a competent third party.
- 2. Reducing own emissions consistently with a 1.5°C-aligned pathway**, which means first and foremost prioritising the reduction of own direct and indirect emissions at a scale and pace that is consistent with the global goal of limiting temperature rise to 1.5°C. For organisations, this means setting targets and pathways in line with a 1.5°C-compatible pathway, implementing mitigation actions to achieve targets, tracking progress and independently verifying them. Where available, best practice requires applying recognised guidance, standards and tools, such as the SBTi.
- 3. Voluntary use of high-integrity carbon credits**, which means voluntarily supporting mitigation outside the actor's boundaries or value chain by buying and using carbon credits that meet the Code's environmental and social criteria (Box 2), and that use crediting programmes and carbon registries that meet the Code's criteria. Best practice also encourages the use of carbon credits that are

associated with a contribution to adaptation and an overall reduction in global emissions, in line with the requirements of Article 6.4 of the Paris Agreement. The Code's criteria are consistent with, inter alia, the CCQI and the ICVCM's draft Core Carbon Principles, as well as Article 6 of the Paris Agreement. Best practice also requires that carbon credits are used only to complement, not to displace reductions of own emissions in line with a 1.5°C-aligned pathway. Carbon credits can be used for taking responsibility for past, current and/or historic emissions, which could be own or collective national emissions.

4. **Reporting of emissions, mitigation action and the voluntary use of carbon credits**, meaning publicly communicating relevant information in enough detail to allow stakeholders to assess it against best practice criteria. Transparent and reliable reporting is key for trust and credibility. The best practice for organisations is to publicly report on at least their direct and indirect emissions (including any specific emissions to be compensated), mitigation targets, pathways and plans, annual changes in their emissions, action and progress towards targets and pathways, and detailed information about the voluntary use of carbon credits, and to verify this information.
  
5. **Ensuring the integrity of claims**, meaning that any public claims made about the voluntary use of carbon credits must provide a clear and truthful picture about its impact on the global climate and, when making marketing claims, apply good marketing practices. This includes avoiding double claiming, including with the host country's existing mitigation targets (Box 3). Best practice means making differentiated claims for the use of carbon credits that (i) help a country to meet its existing target ("national mitigation contribution"), (ii) exclusively counterbalance the impact of a specific volume of emissions ("offsetting") or (iii) contribute to global mitigation above and beyond targets without counterbalancing any specific emissions ("overall mitigation in global emissions").
  - **Best practice claims about carbon neutrality** refer to a situation where the remaining direct and indirect GHG emissions attributed to e.g., an actor, product or service have been fully offset by using at least an equivalent volume of high-integrity mitigation outcomes that are exclusively claimed by the actor, such that the combined contribution of the high-integrity mitigation outcomes and the organisation, product or service to global GHG emissions is zero. Best practice claims about carbon neutrality can only be made by organisations that are reducing their direct and indirect GHG emissions in line with a 1.5°C-aligned pathway.

## Box 2. Criteria for high-quality mitigation outcomes



- ✓ **Real**
- ✓ **Additional**
- ✓ **Based on a conservative baseline below business-as-usual**
- ✓ **Based on robust monitoring and reporting methodologies**
- ✓ **Address the risks of leakage**
- ✓ **Permanent**
- ✓ **Validation of activity and verification of mitigation outcomes by a competent third-party entity**
- ✓ **Avoidance of double counting**
- ✓ **Local stakeholder consultation**
- ✓ **Social and environmental safeguards**
- ✓ **Assessment of sustainable development impacts**
- ✓ **Transition towards net-zero emissions**

### **Box 3. Avoiding double claiming related to the voluntary use of carbon credits**

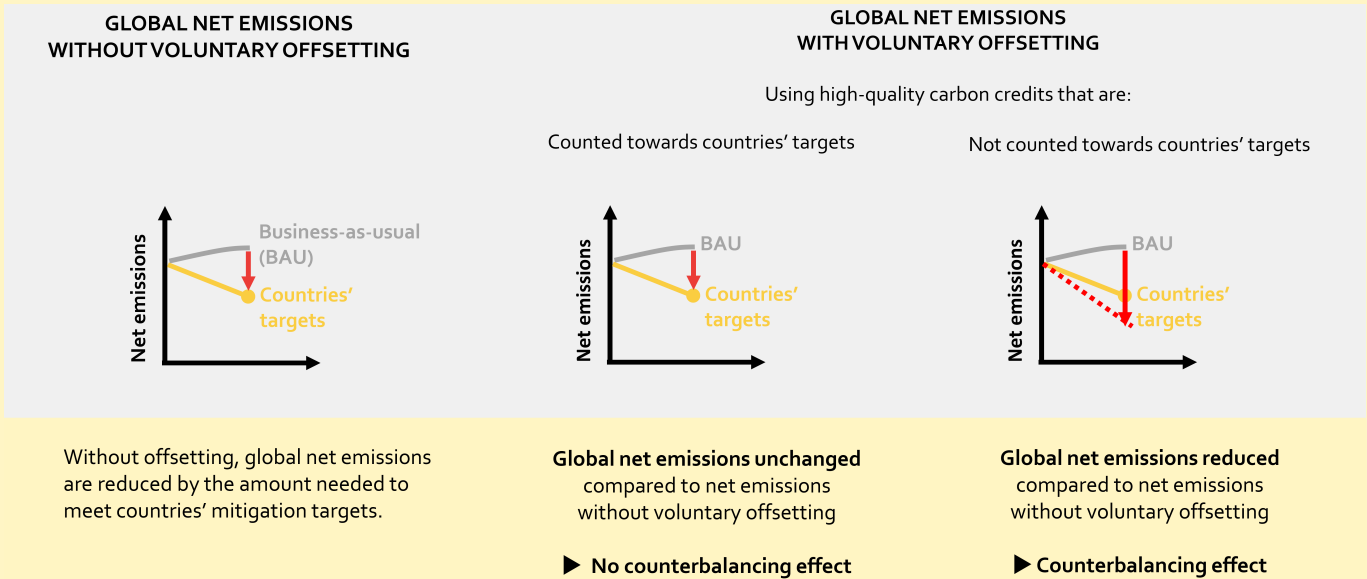
#### **Why to avoid double claiming with countries' national mitigation targets?**

In the context of the voluntary use of carbon credits, double claiming happens if the same mitigation outcome is counted towards a country's national mitigation target as well as by the user of the carbon credit towards offsetting. In this report, offsetting is understood as the use of carbon credits to counterbalance specific emissions such that the combined impact of these emissions and the carbon credits on global net emissions is zero. If the same mitigation outcome is counted both towards a country's mitigation target and for voluntary offsetting, then the voluntary carbon market action would not actually reduce global emissions (Figure 4). In that case, the carbon credits would not in fact counterbalance the actor's emissions and an offsetting claim would be unfounded. By contrast, if offsetting is based on carbon credits that represent a reduction in global net emissions relative to countries' targets, they can truly counterbalance an equivalent volume of emissions, subject to certain conditions<sup>5</sup>.

There is no universal guidance requiring the avoidance of double claiming in the context of voluntary offsetting. The Gold Standard for Global Goals (2022) guidance states that offsetting claims should be based on mitigation outcomes that are "only applied to the offsetting purpose intended and not for any other compliance or voluntary target of the claimant or any other entity". Verra (2021) does not require avoidance of double claiming in the context of voluntary offsetting, but recognises that "some buyers may seek out credits that are backed by [corresponding] adjustments to provide an extra assurance that the countries will not lighten the mitigation efforts set out in their [national mitigation targets] s as a result of successful voluntary market projects impacting on their emissions".

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5. For carbon credits to truly counterbalance the negative climate impact of an equivalent volume of emissions, they need to be of high integrity and exclusively claimed for counterbalancing the emissions in question. Furthermore, their use must not result in higher emissions by the user compared to the case without voluntary offsetting.



**Figure 4.** Illustration of the impact of double claiming on global net emissions

Source: Authors, adapted from Ahonen et al., 2021.

It is important to distinguish between emissions and mitigation outcomes, as well as between no emissions and offsetting existing emissions. Non-state actors' emissions contribute to a country's emission level to the extent that they occur within the country's boundaries and show up in the national inventory. Reductions in non-state actors' emissions reduce the national emission level accordingly, and help the country in meeting its mitigation targets to the extent that they are within the targets' scope. There is no double claiming, since the non-state actor is merely reporting its emissions and not using changes in its emission levels to counterbalance existing emissions. The risk of double claiming arises if the non-state actor sold the reductions in its emissions as carbon credits to another actor who would use them to claim that an equivalent volume of its existing emissions has been counterbalanced. This claim would be legitimate only if the underlying mitigation is not counted towards the host country's mitigation target. From the perspective of greenhouse gas accounting, an actor that causes no emissions is not equivalent to an actor that causes emissions and offsets them. From the perspective of the global atmosphere, their impact on global net emissions is equivalent if and only if these existing emissions are counterbalanced by mitigation that truly reduces global net emissions by an amount equivalent to these existing emissions and is accounted exclusively for this purpose.

### Avoiding double claiming in principle

Double claiming with host country targets can be avoided through claims that are differentiated based on whether the mitigation associated with a high-integrity carbon credit counts towards the countries' existing mitigation target (Figure 5). If yes, best practice requires making claims about "national mitigation contribution" to indicate that the mitigation counts towards a national mitigation target. If not, the carbon credit represents mitigation above and beyond existing targets. In this case, it can be exclusively used by the buyer of the carbon credits for counterbalancing its emissions and making offsetting claims. Such carbon credits could also be cancelled without linking them with specific emissions to be counterbalanced. This could enable a claim of delivering "overall mitigation in global emissions" instead of counterbalancing.

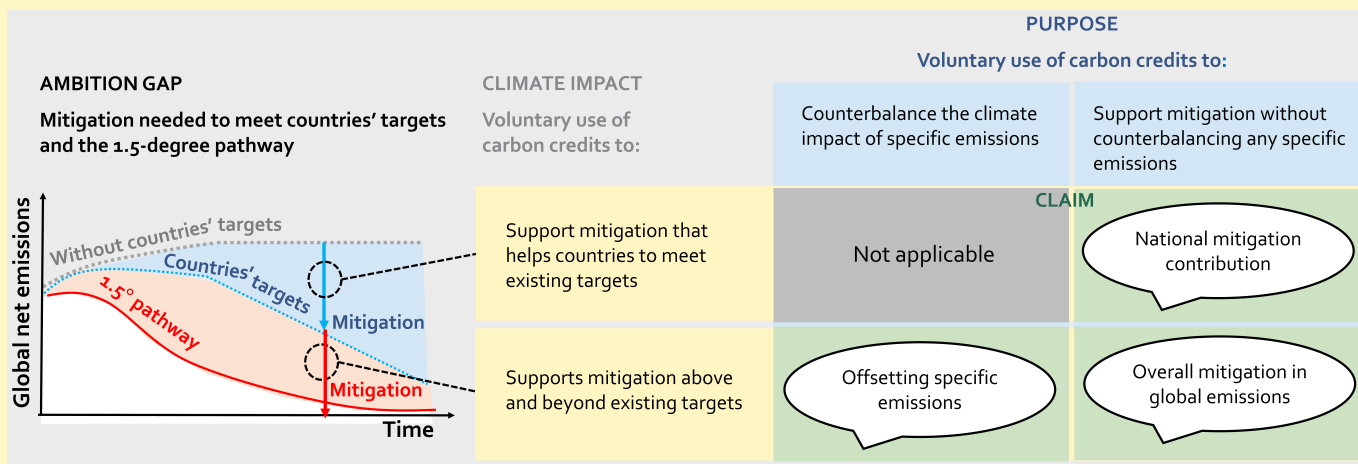


Figure 5. Best practice for claims relating to the voluntary use of carbon credits

## **Avoiding double claiming in practice - When are corresponding adjustments needed?**

In the context of voluntary use of carbon credits, the first step in avoiding double claiming is to identify whether the mitigation associated with the carbon credit counts towards a country's mitigation target. If the mitigation outcome is fully reflected in the national GHG inventory and it is within the scope of the host country's mitigation targets, there is a risk of double claiming with the host country and that global emissions will not be reduced as a result of voluntary carbon market action. In this case, double claiming can be avoided in two ways:

- The host country counts the mitigation outcomes towards its targets and the carbon credit user makes a claim about a national mitigation contribution; or
- The host country authorises the mitigation outcomes as internationally transferred mitigation outcomes (ITMOs) for use for "other purposes", thus committing to applying "corresponding adjustments" in line with relevant guidance (Article 6.2 of the Paris Agreement), and the carbon credit buyer can make a claim about offsetting or overall mitigation in global emissions. The corresponding adjustment means that the host country adjusts its emissions balance so that it does not count those mitigation outcomes towards its target.

If the mitigation outcome is not visible in the host country's national GHG inventory and/or is outside of the scope of the host country's mitigation targets, there is no risk of double claiming with the host country.<sup>6</sup> In this case, using carbon credits for offsetting would not lead to double claiming even if the host country does not authorise the mitigation outcome and apply corresponding adjustments consistently with relevant guidance (Article 6.2).<sup>7</sup> However, to promote ambition and comprehensive emissions accounting, host countries should aim to expand the scope of their national mitigation targets as quickly as possible, and enhance national inventories to make activity-level mitigation outcomes visible.

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6. Until 2021, this is why the use of mitigation outcomes from developing countries and the United States did not lead to double claiming – those countries did not have national mitigation targets under the Kyoto Protocol

7. Note that, under the Paris Agreement, ITMOs require a corresponding adjustment regardless of whether the mitigation outcomes are within or outside the host country's mitigation target (Nationally Determined Contribution, NDC). The Paris Agreement requires that only ITMOs are used towards NDCs and for international mitigation purposes. For other purposes, including the voluntary use of carbon credits, the use of ITMOs is not required by the Paris Agreement, nor does it have jurisdiction to impose this requirement on the voluntary use of carbon credits. This said, if mitigation outcomes are authorised for other purposes under Article 6.2, a corresponding adjustment by the host country will be required regardless of whether the mitigation outcomes are within or outside the host country NDC.



# PART 3. RECOMMENDATIONS FOR NORDIC COOPERATION ON VOLUNTARY CARBON MARKETS

**Promoting best practices for the voluntary use of carbon credits is a global process that requires ongoing cooperation, learning-by-doing and improvement. Nordic cooperation can contribute to this process and support Nordic stakeholders to lead by example. As a first step, a dedicated community of best practice for Nordic cooperation on the voluntary use of carbon credits could be created. In this community, Nordic stakeholders could join forces to build knowledge, align guidance and support practical efforts to identify and implement best practice.**



## **Creating a community of best practice for learning-by-doing**

A dedicated Nordic community of best practice for the voluntary use of carbon credits, and for carbon market cooperation more broadly, would be useful. It should be established as a multi-year activity rather than a short-term project.

This community could serve as a platform for building knowledge and exchanging views on key issues, informing participants of latest developments, sharing experiences and lessons learned, fostering networks and partnerships, and co-creating useful outputs relating to best practices in carbon market cooperation. Activities could include a website and mailing list, webinars, seminars and workshops, thematic working groups or work streams, studies and other knowledge products, and joint projects. At least one annual event with international guest speakers should be organised. The community should be open to all interested participants from all stakeholder groups, including representatives of the youth and indigenous peoples. This said, specific activities could be designed to address the interests and needs of different stakeholder groups.

The Nordic community of best practice could be hosted by a public or non-state entity, for example, the Nordic Council of Ministers or Nordic standard-setting organisations, with sufficient convening power and experience of similar processes. Activities would depend on contributions by the host(s) and participants and available funding. Funding could come from various sources, for example, funding for the basic functions potentially coming from public sources and funding for specific activities provided by interested stakeholders on a case-by-case basis.

The Nordic community of best practice could be designed based on a mapping of relevant models and lessons learned covering, for example, the Nordic Networking group on Carbon Capture, Use and Storage (CCUS) (Nordic Energy Research, 2020),

Nordic Ecolabelling (2022), the German Foundation Development and Climate Alliance (2022) and the Japan Carbon Offset Forum.



## **Building capacity on best practices for the voluntary use of carbon credits**

Nordic stakeholders would benefit from further capacity building and awareness raising on the key concepts and elements for best practice use of carbon credits and related claims. Ongoing learning is needed to stay updated on the latest national and international developments relating to carbon credits and their use. Awareness raising and capacity building aims to enable relevant Nordic stakeholders to actively engage in an informed and solutions-oriented discussion about promoting the high integrity, transparency and harmonisation of the voluntary use of carbon credits. A common understanding on relevant concepts, principles and guidance is key for constructive discussions, effective cooperation and learning-by-doing.

The Dialogue and its results provide a good basis for awareness raising and knowledge building. The Nordic report on voluntary compensation of greenhouse gas emissions provides an overview of key concepts and issues and maps relevant international guidance (Ahonen et al., 2021). The Code provides a Nordic perspective on the current international best practices for the voluntary use of carbon credits. Nordic stakeholder consultations indicated general support for the Code and identified areas that call for further attention. Nordic stakeholders could cooperate to raise awareness on the Code and map support for it. The Code could be used as a basis for knowledge building. In addition, Nordic stakeholders could join forces to map relevant national and international guidance, and consider the commonalities and differences of the various sources of guidance, especially in comparison to the Code. This work could involve cooperation with international peers.

Capacity building could be implemented through seminars, workshops, reports and online resources. It should be open access and specific knowledge products could be tailored for different stakeholder groups or themes. Since best practice is an evolving concept, capacity building is an ongoing process. Nordic cooperation can support stakeholders in staying updated on and also actively contributing to the latest local and global developments and provide a space for exchanging views with their Nordic and international peers.



## Aligning and updating guidance

Nordic and international stakeholders would benefit from robust and coherent international best practice for ensuring the high integrity of carbon credits, their use and related claims. There are currently many national and international guidance and regulations (Box 4), with partly overlapping scopes and sometimes conflicting recommendations. Ideally, these would eventually converge into a robust and coherent universal best practice standard.

Nordic stakeholders can promote alignment across national and international guidance and regulations in two ways. Firstly, Nordic stakeholders could agree on common views on best practices at the Nordic level, taking into account the latest national and international guidance and regulations as well as Nordic values, principles and priorities. Secondly, Nordic stakeholders could actively engage in promoting the convergence of national and international guidance and regulations and, importantly, alignment with the Nordic view on best practice. In their engagement, Nordic stakeholders could stress that carbon markets can be a valuable tool for climate ambition if and only if the public has trust in their integrity. Nordic stakeholders could identify where Nordic approaches could be appropriate and where national or international approaches could and should be used.

Nordic stakeholders could utilise the Code as a basis for a Nordic view on best practice use of carbon credits, and potentially also for regulation. Discussions could focus on issues that were raised by stakeholders during the Dialogue's consultations (Annex 3, Box 6). Nordic stakeholders could consider options for mapping support for the Code.

The Nordic view could also cover elements and details that were not included in the Code, such as specific guidance for implementing the Code's requirements and recommendations, potentially including tailored guidance for e.g., municipalities, companies and small- and medium-sized enterprises (SMEs) as well as product-, brand- and service-level claims. This was requested by several Nordic stakeholders under the Dialogue.

A specific topic for discussion could be alignment between voluntary carbon markets and carbon market cooperation under Article 6 of the Paris Agreement. Nordic stakeholders could discuss if and when the voluntary use of carbon credits should align with the rules for carbon market cooperation under Article 6 of the Paris Agreement, including the Article 6.4 Mechanism and cooperation involving the use of ITMOs. In this context, Nordic stakeholders could take into consideration the proposed Nordic vision, goals and priorities for robust and impactful carbon market cooperation developed under the Nordic Initiative for Cooperative Approaches (NICA) (Box 5), as well as Article 6 work by the Swedish Energy Agency.

Sustainable development is an important theme for Nordic countries and stakeholders. Nordic stakeholders could explore and promote best practice guidance

for the assessment of positive and negative sustainable development impacts, the application of environmental and social safeguards, and monitoring and reporting of sustainable development impacts line with the environmental and social management plan. Special attention could be given to specific Nordic priorities such as gender equality.

Common Nordic views on best practice could be achieved through a series of workshops, open to all stakeholder groups from all Nordic countries, including targeted engagement with international peers. To remain credible and up-to-date, it would need to be regularly reviewed and updated. A strong "owner", with sufficient capacity and convening power, would be needed to manage the implementation, review and updating of the Nordic views. A Nordic working group or online community could also be established to support Nordic stakeholders in engaging in relevant national and international processes. This support should be facilitative and would not require or represent full or formal consensus.

**Box 4. Examples of relevant national and international guidance, regulation and initiatives (non-exhaustive)**

**National and Nordic**

***Nordic countries***

- Finland: Reports on, inter alia, regulating the voluntary use of carbon credits (Laine et al., 2021), avoiding double claiming (forthcoming) and guidelines for the voluntary use of carbon credits (forthcoming), website on the voluntary use of carbon credits (Hiilikompensatioinfo, 2022), HINKU criteria for municipalities striving for carbon neutrality (Hiilineutraalisuomi, 2019)
- Iceland: Carbon offsetting specification with guidance (ÍST TS 92:2022) (Islenskir Stadlar, 2022), carbon offsetting requirements in Icelandic Climate Law (art 3.6) (Althingi, 2021), Environment Agency of Iceland's general guidelines for offsetting by public institutions (Umhverfis Stofnun, 2020), resolution from workshops on best practices in voluntary offsetting (Islenskir Stadlar, 2021), Iceland Carbon Fund (2022), Icelandic Wetland Fund (2022)
- Sweden: Swedish Article 6 cooperation (Swedish Energy Agency, 2022), Swedish Consumer Agency's (2021) memo on compensation-related marketing claims
- Denmark: Danish Consumer Ombudsman's (2021) Quick Guide on environmental claims
- Norway: Norwegian Article 6 cooperation

***Other countries***

- New Zealand: Ministry of Environment's Interim guidance for voluntary climate change mitigation (New Zealand Government, 2022), report on boosting voluntary climate action (Leining & White, 2021)
- Australia: Government's Climate Active Certification scheme (Climate Active, 2019)
- Germany: Foundation Development and Climate Alliance's (2020) guidance on approved standards and processes
- Peru: Ministry of Environment's Huella de Carbono scheme for voluntary mitigation action (Peru Ministry of Environment, 2018)
- Thailand: Thailand Greenhouse Gas Management Organization's Thailand Voluntary Emission Reduction Program

***Nordic***

- Nordic Initiative for Cooperative Approaches
- Nordic Environment Finance Corporation's Environmental and Sustainability Guidelines (NEFCO, 2022a) and Gender Policy (NEFCO, 2018)
- Nordic Development Fund's Gender Equality Policy (Nordic Development Fund, 2020)

## **International and independent**

### ***General***

- San Jose Principles for High Ambition and Integrity in International Carbon Markets and post-COP26 statement (Costa Rica Ministry of Environment and Energy, 2021, 2022)
- Oxford Principles for Net Zero Aligned Carbon Offsetting (Allen et al. 2020)
- Carbon Pricing Leadership Coalition (CPLC) Task Force on Net Zero Goals and Carbon Pricing (CPLC, 2021)
- International Carbon Reduction and Offset Alliance (ICROA), including ICROA Code of Best Practice (ICROA, 2022) and Voluntary Carbon Market Standards: Review Criteria (ICROA, n.a.)
- International Organization of Securities Commissions (IOSCO), including consultations key considerations for enhancing the resilience and integrity of voluntary carbon markets (IOSCO, 2022)

### ***Target-setting***

- Race to Zero (2022), including criteria for net-zero targets, plans, action and reporting for companies, investors, cities (C40, 2022), states and regions, universities and other organisations
- UN High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (UN, n.a.)
- SBTi, including guidance for different sectors (SBTi, 2022a) and small and medium-sized enterprises (SBTi, 2022b) on setting corporate emission reduction targets, and beyond-value-chain mitigation (SBTi, 2021)
- Transition Pathway Initiative (TPI) for assessing companies' preparedness for the transition to a low carbon economy (TPI, 2022)
- ISO Net Zero Guidelines (ISO, 2022a)
- ICLEI – Local Governments for Sustainability's report on carbon neutrality at the regional level (ICLEI, 2020)

### ***Quantification of emissions, and reporting of climate-related information***

- Greenhouse Gas Protocol, including standards to measure and manage emissions for corporates, cities and projects (GHG Protocol, 2022)
- International Organization for Standardization (ISO), including standards for quantifying and reporting emissions at organisation and project level (ISO 14064)
- International Sustainability Standards Board (ISSB), including Prototype Climate-Related Disclosures requirements for corporate sustainability reporting (IFRS, 2021)
- European Commission's proposal for Corporate Sustainability Reporting Directive (CSRD) (European Commission, 2021)

### ***Carbon credit quality***

- Paris Agreement, Articles 6.1–6.7 and relevant decisions and guidance
- Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) (ICAO, 2022)
- European Commission’s proposal on a carbon removal certification mechanism (forthcoming)
- Integrity Council for Voluntary Carbon Markets (ICVCM, 2022), including draft Core Carbon Principles and Assessment Framework (final version forthcoming)
- Carbon Credit Quality Initiative (CCQI, 2022)
- Sustainable Development Initiative (SDI) (UNEP CCC, 2022)
- GS4GG (2022), including the SDG impact tool and guidance on stakeholder consultations, gender equality and safeguarding
- Verra, including the Verified Carbon Standard (Verra, 2022a), and standards for sustainable development (Verra, 2022b) and climate, community and biodiversity (Verra, 2022c)
- W+ standard for women’s empowerment (Wplus, 2022)

### ***Claims relating to the voluntary use of carbon credits***

- VCMI, including VCMI Claims Code (forthcoming) (VCMI, 2022)
- ISO standard on carbon neutrality (ISO/CD 14068, forthcoming)
- PAS standard on carbon neutrality (PAS 2060)
- International Chamber of Commerce (ICC) Advertising and Marketing Communications Code (ICC, 2022)
- European Commission’s initiative for substantiating green claims (European Commission, n.a.)

**Box 5. Proposed Nordic vision, goals and priorities for robust and impactful carbon market cooperation (NEFCO, 2022b)**

**Proposed Nordic vision for robust and impactful carbon market cooperation**

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 United Nations Sustainable Development Goals.

**Key international criteria and proposed Nordic priorities for robust and impactful carbon market cooperation:**

- Ensuring environmental integrity of mitigation outcomes
- Promoting ambition
- Applying robust accounting, including ensuring the avoidance of double counting
- Promoting sustainable development, especially gender equality

**Additional goals and proposed Nordic priorities for robust and impactful carbon market cooperation:**

- 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





## Supporting implementation of best practices

While the high-level best practice principles for the voluntary use of carbon credits are widely accepted, with the notable exception of options for avoiding double claiming, their implementation in practice remains a challenge. Best practice is a moving target that can be difficult or costly to achieve. Furthermore, due to inherent uncertainties, it may be difficult or costly for actors to unambiguously demonstrate achievement of best practice elements. However, this should not be an excuse to lower the bar nor to disregard efforts that fall short of best practice. The voluntary use of carbon credits can drive real climate action only if stakeholders have trust in its integrity. This said, stakeholders should understand and accept the inherent uncertainties relating to the voluntary use of carbon credits and resist equating best practice with absolute certainty and perfection. Best practice principles can inspire a race to the top and be the North Star for actors on their journey towards and beyond carbon neutrality. Nordic stakeholders could explore options to incentivise and recognise efforts towards best practice, even when they fall short of meeting all best practices elements in full. The question is not *whether* to recognise these efforts but *how* to do it in a way that is transparent, informative and reflects the actual climate impact of these efforts. Nordic stakeholders could also explore options for actors to publicly support and express their intention to follow Nordic best practices and report on progress and lessons learned. Organisations that publicly express their intention to follow best practices should provide regular (at least annual), publicly available information on their plans and progress in meeting all the requirements and recommendations of the Code. Nordic stakeholders could develop common approaches for such plans and reporting.

Together, Nordic stakeholders could explore key challenges in implementing best practice and develop practical and constructive solutions to address them. They could develop common Nordic guidance, tools and approaches to support the implementation of best practice elements in various and evolving contexts. Tailored support could be provided for e.g., SMEs, municipalities and small actors. Guidance could be designed to also encourage actors that cannot fully implement all best practice elements, such as 1.5-degree-aligned targets or third-party verification, to meet those elements that are within their reach, for example the use of high-integrity carbon credits. It could also be valuable to encourage Nordic actors to reflect on their efforts and plans to meet different best practice elements and support needs that would help them overcome barriers to the full implementation of best practice.

Regarding **carbon footprint calculation and target setting**, there is need to develop tailored guidance and tools for specific stakeholder types, such as cities and municipalities, SMEs, start-ups and hard-to-abate sectors such as agriculture and industry. SMEs would benefit from the development of streamlined and standardised approaches, for example for carbon footprint calculations, target-

setting and verification, that are user-friendly and have low transaction costs. Start-ups and hard-to-abate sectors, for which 1.5-degree-aligned targets may not be feasible, would benefit from customised guidance on “second-best” practice for setting targets and the voluntary use of carbon credits. This work should draw on international guidance, such as the SBTi, GHG Protocol and ISO (ISO, 2022a; 2022b), and potentially also national sectoral low-carbon roadmaps. Cities and municipalities may require tailored guidance on carbon footprint calculations, as well as claims relating to the voluntary use of carbon credits. This work could draw on, inter alia, the Towards Carbon Neutral Municipalities (Hinku) network (Hiilineutraali Suomi, 2021), the EU-funded project on NetZeroCities (NetZeroCities, 2022), the C40 network and Carbon Neutral Cities Alliance (CNCA, 2022).

Regarding **high-integrity carbon credits**, Nordic stakeholders could jointly develop baseline and monitoring methodologies for activity types implemented in the Nordic region, such as forestry and bioenergy carbon capture and storage (BECCS), including common approaches to addressing non-permanence of different activity types. They could also discuss the additionality of different activity types in the Nordic context, in the context of offsetting and non-offsetting claims, and generally in the context of national net zero targets. The role of Nordic verifiers could also be considered. This work could draw on ongoing methodological work in Finland (Hiilikompensatioinfo, 2022) and Iceland relating to, inter alia, forestry, wetlands and agricultural soils, the International Carbon Registry operated by Icelandic actors, as well as national strategies and sectoral roadmaps for implementing national climate targets. This work should also draw on and take into account international developments, such as the ICVCM’s Core Carbon Principles and Assessment Framework and the EU’s forthcoming carbon removal certification mechanism.

Furthermore, Nordic cooperation could explore the practical implementation of environmental and social safeguards and sustainable development assessments, in both Nordic and international activities. Special attention could be given to promoting gender equality, as well as to the other proposed Nordic goals and priorities for carbon market cooperation (NEFCO, 2022b), developed under the Nordic Initiative for Cooperative Approaches (NICA) (see Box 5). This work could draw on the experiences from Nordic development cooperation (e.g. Nordic Development Fund, Nordic Environment Finance Corporation, Sida), as well as the ICVCM, Gold Standard for Global Goals, the W+ standard for women’s empowerment and other relevant international work. Nordic stakeholders could also discuss and acknowledge the value of upfront payments, support for research and development and other forms of support to mitigation that do not fulfil criteria for High-Integrity Carbon Credits but that can nonetheless be valuable for supporting climate action. Nordic cooperation could also explore opportunities for Nordic public-private partnerships to engage Nordic non-state actors in Nordic Article 6 activities and to facilitate their access to carbon credits generated under Article 6 of the Paris Agreement.

Regarding **transparent reporting**, various types of organisations could benefit from the development of common templates and platforms for reporting on their targets, emissions and voluntary use of carbon credits. They could draw on international guidance from, for example, CDP, ISO and International Sustainability Standards Board.

Regarding **verification**, Nordic stakeholders could consider defining "competent third-party authorities" and/or developing a common code of conduct for third-party verifiers.

Regarding **claims**, Nordic cooperation could help to identify the opportunities and challenges of avoiding double claiming with national mitigation targets in the Nordic context. It would be useful to understand the extent to which emission reductions or removals from different voluntary activity types in the Nordic region are reflected in national inventories and could count towards national mitigation targets. It would also be useful to identify potential gaps in national accounting, for example for BECCS, and opportunities to address these gaps consistently across the Nordic countries. This work could draw on relevant ongoing work, including research on carbon dioxide usage and removal (Finnish Government, 2022), Nordic regulatory frameworks for carbon capture and storage and using Article 6 to promote BECCS in the Nordic region (IVL Swedish Environmental Research Institute, 2022). Furthermore, Nordic stakeholders could consider developing a Nordic mitigation contribution claim for using carbon credits generated in Nordic countries that contribute towards Nordic countries' mitigation targets, including the collective goal for Nordic carbon neutrality. This work could draw on, inter alia, the experiences of Nordic Ecolabelling and the domestic voluntary carbon labelling schemes of Thailand and Peru and take into account EU regulation on green claims.

Last but not least, Nordic stakeholders could explore the opportunities and challenges of authorising Nordic mitigation outcomes for use towards voluntary offsetting in accordance with Article 6.2 of the Paris Agreement. The host country is required to apply corresponding adjustments to its emissions balance for authorised mitigation outcomes. This work could draw, inter alia, on a study commissioned by the Finnish government on avoiding double claiming through corresponding adjustments and contribution claims (Ministry of the Environment Finland, 2022) and insights on Article 6 readiness gained under the Nordic Initiative for Cooperative Approaches (NICA) and the Swedish Energy Agency's work on Article 6. Nordic stakeholders could also discuss avoidance of double claiming with regard to other aspects, such as with climate finance. Nordic stakeholders could exchange views and information on the latest developments in good marketing practices and claims regulations, including EU regulation on green claims and national guidance and studies on marketing relating to the voluntary use of carbon credits.

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# ANNEX 1. NORDIC CODE OF BEST PRACTICE FOR THE VOLUNTARY USE OF CARBON CREDITS

## About the requirements and recommendations

According to the Nordic Code of Best Practice for the Voluntary Use of Carbon Credits, best practice for the voluntary use of carbon credits means meeting the following five requirements and recommendations.

The requirements and recommendations are designed to be applicable for actors of various types and sizes, ranging from individuals, sports clubs and small- and medium-sized enterprises to cities and large-scale corporations. Some requirements and recommendations may be applicable to public and private organisations (e.g., companies, government agencies, cities, municipalities and non-governmental organisations) but not to individuals. Thus, in the Code, we distinguish between "organisations" and "actors", the latter referring to both organisations and individuals.

"Shall" indicates a requirement to be followed without deviation, in order to be considered best practice. "Are encouraged" indicates a recommendation for a course of action that is desired but not strictly required. The larger the organisation or its emissions, the more comprehensively they should implement the requirements and recommendations.

A glossary of key terms and concepts used in this Code is provided in Annex 2. A non-exhaustive list of relevant guidance and standards for implementing the requirements and recommendations of this Code is provided in the Nordic report "Harnessing voluntary carbon markets for climate ambition - An action plan for Nordic cooperation".

## Requirement 1. Robust and comprehensive quantification of relevant emissions

1. Actors shall calculate the relevant direct and indirect emissions (e.g., a company's scope 1–3 emissions, a product's lifecycle emissions) in accordance with recognised tools or guidance that are relevant to the intended use. Organisations should strive to include Scope 3 emissions whenever they are significant and can be reliably calculated in accordance with recognised tools or guidance.
2. Organisations shall transparently describe the approach and results of the quantification of the relevant emissions.
3. Organisations shall have the quantification of their relevant emissions verified by a competent third-party entity.

## **Requirement 2. Reducing emissions consistently with a 1.5°C-aligned pathway**

1. Actors shall take action to reduce their direct and indirect emissions, striving to be consistent with the global goal to limit the increase in the global average temperature to 1.5 degrees.
2. Organisations shall carry out a comprehensive assessment of opportunities to reduce their direct and indirect emissions, set targets and pathways and develop and implement plans for reducing the direct and indirect emissions in the short, medium and long term, in line with a 1.5°C-aligned pathway.
3. Organisations shall apply recognised tools, guidance and/or standards, if available, to demonstrate that their targets, pathways, plans and progress are aligned with a 1.5°C-aligned pathway.2.4 Organisations shall have the targets and progress referred to in requirement 2.3 verified by a competent third-party entity.

## **Requirement 3. Use of High-Integrity Carbon Credits**

1. Actors shall use carbon credits that are based on high-integrity mitigation outcomes that meet the Mitigation Outcome Criteria.
2. Actors shall use carbon credits issued under a carbon crediting programme or an equivalent framework that meets the Carbon Crediting Programme Criteria. A competent third-party entity shall verify that the mitigation outcome meets the Mitigation Outcome Criteria. Such mitigation outcomes are hereafter referred to as High-Integrity Carbon Credits.
3. Actors shall use High-Integrity Carbon Credits by retiring, cancelling or otherwise permanently removing them from circulation in a carbon registry that meets the Carbon Registry Criteria. Retirement, cancellation or permanent removal from circulation is hereafter referred to as the use of High-Integrity Carbon Credits.
4. Actors shall use High-Integrity Carbon Credits only to complement, never to displace, reductions in own emissions in line with the targets and pathways referred to in requirement 2.2.
5. Actors are encouraged to promote sustainable development co-benefits through the voluntary use of carbon credits, using recognised tools to assess, monitor and report sustainable development impacts. Verification of sustainable development impacts by a competent third-party entity is also encouraged.
6. Actors are encouraged to use High-Integrity Carbon Credits that are associated with a share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, in line with relevant decisions on Article 6.4 of the Paris Agreement.
7. Actors are encouraged to use High-Integrity Carbon Credits that are associated with the delivery of overall mitigation in global emissions in addition to the actor's own voluntary use of High-Integrity Carbon Credits, in line with relevant decisions on Article 6.4 of the Paris Agreement.

#### **Requirement 4. Reporting of emissions, targets, mitigation action and the voluntary use of carbon credits**

1. Organisations shall publicly report on their direct and indirect emissions (including emissions to be voluntarily compensated), mitigation targets, pathways and plans, annual changes in their direct and indirect emissions, action and progress towards targets and pathways, and the voluntary use of carbon credits, including detailed information on the mitigation outcomes used, in a transparent and consistent manner at least on an annual basis. The reported information shall be verified by a competent third-party entity.
2. Organisations are encouraged to report on the role of the voluntary use of carbon credits in their broader mitigation plans and provide information on the organisation's broader climate and sustainability targets and activities, as well as experiences and lessons learned.
3. Organisations are encouraged to provide financial information on their mitigation actions, including any internal carbon price and support for mitigation and sustainable development within their boundaries or value chain, as well as support provided for mitigation and sustainable development beyond the organisation's boundaries or value chain through the voluntary use of carbon credits and any other forms of support, including support for 1.5°C-aligned climate policy.

#### **Requirement 5. Ensuring the integrity of claims**

1. Any claims relating to mitigation of own emissions and voluntary compensation shall be true and accurate; clear and relevant to their target audience; substantiated with objective, transparent, up-to-date and publicly available data; avoid overstating the beneficial environmental impacts of the activities; avoid creating a false impression or hiding trade-offs; refer to voluntary actions or achievements that go beyond complying with existing legislation or standard business practice; and avoid double-claiming.
2. Organisations shall only make claims about using High-Integrity Carbon Credits in addition to reducing emissions in line with the targets and pathways referred to in 2.2. Organisations shall not use High-Integrity Carbon Credits to claim progress towards these targets and pathways.
3. Claims about offsetting are understood to be about the purchase, ownership and use of High-Integrity Carbon Credits exclusively for counterbalancing an equivalent amount of direct and indirect GHG emissions attributed to an actor, product or service, such that the combined contribution of the High-Integrity Carbon Credits and the emissions attributed to an actor, product or service to global emissions is zero. Claims about offsetting shall be based on the use of High-Integrity Carbon Credits representing mitigation outcomes that are exclusively claimed for offsetting and not claimed towards any other mitigation purpose, including towards any country's existing mitigation targets.
4. Claims about overall mitigation in global emissions are understood to be about the purchase, ownership and use of High-Integrity Carbon Credits exclusively to

contribute to reducing global net emissions above and beyond existing national mitigation targets without making claims about offsetting. Claims about overall mitigation in global emissions shall be based on the use of High-Integrity Carbon Credits representing mitigation outcomes that are exclusively claimed for overall mitigation in global emissions and not claimed towards any other mitigation purpose, including towards any country's existing mitigation targets or for offsetting.

5. Claims about national mitigation contributions are understood to be about the purchase and use of High-Integrity Mitigation Outcomes that help the host country in meeting its existing mitigation targets. Claims about national mitigation contributions shall be based on the use of High-Integrity Carbon Credits representing mitigation outcomes that are counted towards the host country's existing mitigation targets.
6. Claims about carbon neutrality are understood to be about fully offsetting the direct and indirect emissions attributed to an actor, product or service that remain after an actor has taken action to mitigate these emissions consistently with a 1.5°C-aligned pathway, such that the net contribution to global emissions of these emissions is zero. Organisations shall only make carbon neutrality claims if they have targets, pathways and plans in place in line with section 2.3 and are on track to achieving them.
7. Organisations shall have their claims verified by a competent third-party entity.
8. When making marketing claims relating to the voluntary use of High-Integrity Carbon Credits, organisations shall disclose the underlying information and proof for their claims. This information should be provided in connection with the claim (e.g., advertisements, packages etc.) to the extent possible.
9. Organisations shall comply with relevant supranational and national guidance on claims, including guidance specifically on claims associated with the voluntary use of High-Integrity Carbon Credits.

## Mitigation Outcome Criteria

High-integrity mitigation outcomes shall meet all of the following criteria:

- **Real:** Real mitigation outcomes means that mitigation outcomes shall be verified ex-post and shall not represent ex-ante estimations of mitigation outcomes that are expected to occur in the future.
- **Additional:** Additionality means that the mitigation outcomes of a mitigation activity would not have happened now without the incentives provided by the carbon credits. This shall be justified by demonstrating that the mitigation activities exceed what is required by host country law, regulation, or a legally binding mandate and that the activity would not be financially viable without the revenue from the sale of carbon credits.
- **Based on a conservative baseline below business-as-usual:** Mitigation outcomes shall be conservatively quantified against a credible and robust emissions baseline that is set below the business-as-usual level of emissions.

- **Based on robust monitoring and reporting methodologies:** Mitigation outcomes shall be quantified using robust monitoring methodologies.
- **Address the risks of leakage:** Leakage, the unintended increases in emissions attributable to the mitigation activity outside of its boundaries, shall be appropriately addressed in order to prevent overestimation of an activity's mitigation outcomes. Crediting programmes' measurement tools shall include adjustments for leakage.
- **Permanent:** Mitigation outcomes shall represent permanent emission reductions and removals. Where activities are prone to a risk of reversals, the non-permanence of mitigation outcomes shall be addressed in a robust manner through the implementation of safeguards (e.g., insurance, buffer pools, liability rules).
- **Validation of activity by a competent third-party entity:** Mitigation activities shall be validated by a competent third-party entity that the proposed activity design meets relevant criteria.
- **Verification of mitigation outcomes by a competent third-party entity:** Mitigation outcomes that have been achieved through registered mitigation activities shall be verified ex-post by a competent third-party entity.
- **Avoidance of double counting:** All forms of double counting of mitigation outcomes shall be avoided.
- **Local stakeholder consultation:** Mitigation activities shall include local stakeholder consultations during the design and implementation/monitoring phase. Local stakeholder consultations shall also disclose clear processes that stakeholders can exercise if something goes wrong in the design, implementation and monitoring of the activity.
- **Social and environmental safeguards:** Mitigation activities shall identify, minimise and, where possible, avoid negative environmental or social impacts, and engage with relevant stakeholders throughout the activity's lifetime, with special consideration given to vulnerable groups. An ex-ante assessment of the mitigation activities' potential negative impacts shall be carried out, robust social and environmental safeguards as well as a grievance mechanism shall be put in place to mitigate, manage and, where possible, avoid any negative impacts, and related monitoring and reporting shall be carried out throughout the activity's lifetime. Any negative impacts on human rights shall be avoided. Organisations conducting mitigation activities shall institute a policy commitment to meet the responsibility to respect human rights. They shall also conduct human rights due diligence and proactively manage potential and actual adverse human rights impacts with which they are involved in line with UN Guiding Principles. Where an organisation identifies that it has caused or contributed to actual adverse human rights impacts, it needs to address such impacts by providing for or cooperating in their remediation. Organisations shall have the ex-ante assessment and ex-post monitoring and reporting verified by a competent third-party entity.
- **Assessment of sustainable development impacts:** Ex-ante assessments of a mitigation activity's potential positive and negative impacts on sustainable development shall be carried out. Ex-post monitoring and

reporting of significant sustainable development impacts shall be carried out. The use of available tools is encouraged. The ex-post verification of significant sustainable development impacts by a competent third-party entity is also encouraged.

- **Transition towards net-zero emissions:** Mitigation activities shall not lock in levels of emissions, technologies or carbon intensive practices that are incompatible with achieving net zero emissions by mid-century.

## Carbon Crediting Programme Criteria

Carbon crediting programmes shall meet all of the following criteria:

- The carbon crediting programme is designed and managed by an independent organisation or group of organisations.
- The carbon crediting programme has a robust governance process and is well managed:
  - The governance process is transparent.
  - Independent decision makers manage the crediting programme.
  - The carbon crediting programme provides oversight to the validators'/verifiers' work, and ensures the work is impartially and rigorously conducted, appropriate to the requirements of the standard.
  - It makes normative programme documents and mitigation activity documentation publicly available.
  - The programme has established processes to address conflicts of interest.
- The carbon crediting programme is linked to a publicly accessible registry, independent of the activity developer, which tracks issued carbon credits to ensure uniqueness for each credit.
- The carbon crediting programme requires that mitigation activities and their quantified mitigation outcomes are independently validated and verified. Validation and verification must be carried out by a suitably qualified, independent organisation.
- The carbon crediting programme ensures, in combination with add-on standards if needed, that the carbon credits issued under the carbon crediting programme meet the Mitigation Outcome Criteria.
- The carbon crediting programme ensures that legal requirements regarding the avoidance of environmental and social impacts are fulfilled.

## **Carbon Registry Criteria**

Carbon crediting programmes shall meet the following criteria regarding their registries:

- Have access to a publicly available registry that tracks the credits issued with the following basic functionality:
  - Provides access to all underlying activity information
  - Requires identification of the entity by whom and/or on whose behalf the credit was retired
  - Requires the identification of the purpose of retirement
- Identify credits through unique serial numbers
- Prevent the double issuance and double use of credits

# ANNEX 2. GLOSSARY

## Glossary in English

This glossary includes key terms used in the Nordic Code of Best Practice for the Voluntary Use of Carbon Credits ("the Code").

Term	Description
<b>1.5°C-aligned pathway</b>	<b>1.5°C-aligned pathway</b> refers to a pathway of an actor's direct and indirect emissions that is consistent with limiting the increase in the global average temperature to 1.5 degrees in line with the long-term temperature goal of the Paris Agreement.
<b>Additionality</b>	<b>Additionality</b> means that, at the time of the decision to implement of the activity, the <b>mitigation outcomes</b> of a mitigation activity would not have occurred in the absence of the incentives created by the <b>carbon credit revenues</b> .
<b>Baseline</b>	A <b>baseline</b> is a hypothetical scenario for emissions that is predicted or assumed to occur in the absence of the incentives created by the <b>carbon credits</b> and their associated mitigation activities, while holding all other factors constant.
<b>Carbon credit</b>	A <b>carbon credit</b> is a tradable financial instrument that is issued by a <b>carbon crediting programme</b> and that represents a verified GHG <b>mitigation outcome</b> of one metric tonne of carbon dioxide equivalent, calculated as the difference between the baseline and activity emissions. <b>Carbon credits</b> are uniquely serialised, issued, tracked, and <b>retired</b> or <b>cancelled</b> by means of an electronic carbon registry operated by an administrative body such as the administrator of a <b>carbon crediting programme</b> .
<b>Carbon crediting programme</b>	A <b>carbon crediting programme</b> is a standard-setting programme for registering mitigation activities and issuing carbon credits against the programme's criteria. High-Integrity Carbon Credits need to be issued by <b>carbon crediting programmes</b> that meet the Code's Carbon Crediting Programme Criteria.
<b>Carbon neutrality</b>	At the global level, <b>carbon neutrality</b> is achieved when anthropogenic CO <sub>2</sub> emissions are balanced globally by anthropogenic CO <sub>2</sub> removals over a specified period (e.g., on an annual basis). Carbon neutrality is commonly used to refer also to other GHGs than CO <sub>2</sub> . At the level of non-state actors, it refers to a situation where any GHG emissions attributed to an actor's operations, products or services have been fully <b>offset</b> by <b>using</b> at least an equivalent amount of <b>High-Integrity Carbon Credits</b> that are exclusively claimed by the actor, such that the combined contribution of these <b>High-Integrity Carbon Credits</b> and the actor's operations, products or services to global net GHG emissions is zero. Carbon neutrality claims can only be made by organisations that have 1.5°C-aligned targets, pathways and plans in place and are on track to achieving them.
<b>Carbon registry</b>	A <b>carbon registry</b> is a registry for tracking the issuance, transfers and use of carbon credits.
<b>Direct emissions</b>	GHG emissions from GHG sources owned or controlled by the actor (scope 1 emissions), as defined in ISO 14 064 and the Greenhouse Gas Protocol.
<b>Double claiming</b>	A situation in which the same <b>mitigation outcome</b> is claimed by more than one different actor towards achieving climate change mitigation, e.g., once by a country or jurisdiction in which the <b>mitigation outcome</b> occurs that reports lower emissions or higher removals for the purpose of demonstrating achievement of a mitigation target or goal, and once by the actor using a carbon credit for the purpose of making an <b>offsetting</b> claim.
<b>Double counting</b>	A situation in which a <b>mitigation outcome</b> is counted more than once. Double counting can occur through <b>double issuance</b> , <b>double use</b> and/or <b>double claiming</b> .
<b>Double issuance</b>	A situation in which more than one <b>carbon credit</b> is issued for the same <b>mitigation outcome</b> . This can occur when the same mitigation activity is registered under two different <b>carbon crediting programmes</b> or twice under the same <b>carbon crediting programme</b> .
<b>Double use</b>	A situation in which the same <b>carbon credit</b> is counted more than once towards achieving climate change mitigation. This could, for example, occur if an actor used a single <b>carbon credit</b> to fulfil two different purposes.



<b>Environmental integrity</b>	In the context of carbon markets, <b>environmental integrity</b> means that market-based cooperation must not lead to an increase in global net GHG emissions compared with the scenario where market-based instruments are not used.
<b>High-Integrity Carbon Credit</b>	A <b>High-Integrity Carbon Credit</b> means a <b>mitigation outcome</b> that meets the Code's Mitigation Outcome Criteria and is issued under a <b>carbon crediting programme</b> that meets the Code's Carbon Crediting Programme Criteria.
<b>Indirect emissions</b>	GHG emissions that is a consequence of an actor's operations and activities, but that arise from GHG sources that are not owned or controlled by the actor (scope 2 and scope 3 emissions), as defined in ISO 14 064 and the Greenhouse Gas Protocol.
<b>Leakage</b>	<b>Leakage</b> refers to unintended increases in emissions attributable to the mitigation activity outside of its boundaries.
<b>Mitigation outcome</b>	Emission reductions and removals are jointly referred to as <b>mitigation outcomes</b> .
<b>National mitigation contribution</b>	A <b>national mitigation contribution</b> refers to the <b>voluntary use of High-Integrity Carbon Credits</b> that help the host country in meeting its existing mitigation targets.
<b>Offsetting</b>	Offsetting refers to the voluntary use of <b>High-Integrity Carbon Credits</b> and the claiming of the associated mitigation outcome exclusively for <b>counterbalancing</b> an equivalent amount of GHG emissions attributed to an actor, product or service within its boundary or value chain, such that that the combined contribution of these High-Integrity Carbon Credits and emissions to global net GHG emissions is zero.
<b>Overall mitigation in global emissions</b>	An <b>overall mitigation in global emissions</b> is delivered through the use of <b>High-Integrity Carbon Credits</b> that represent mitigation above and beyond countries' existing mitigation target and are not used for <b>offsetting</b> .
<b>Permanence</b>	Permanence refers to a situation where the <b>mitigation outcomes</b> generated by a mitigation activity are later not reversed. Where activities are prone to a risk of reversibility, the non-permanence of mitigation outcomes shall be addressed in a robust manner through the implementation of safeguards (e.g., insurance, buffer pools, liability rules).
<b>Use of High-Integrity Carbon Credits</b>	The <b>use of High-Integrity Carbon Credits</b> refers to the <b>cancellation, retirement</b> or other permanent removal from circulation of a <b>High-Integrity Carbon Credit</b> in a <b>carbon registry</b> that meets the Code's Carbon Registry Criteria.
<b>Validation</b>	In the context of <b>carbon crediting programmes</b> , <b>validation</b> refers to an assessment by a competent third-party entity of a mitigation activity requesting registration, against relevant criteria under a <b>carbon crediting programme</b> .
<b>Verification</b>	In the context of <b>carbon crediting programmes</b> , <b>verification</b> is the periodic independent review and ex-post determination by a competent third-party entity of the request to issue carbon credits against monitored mitigation outcomes generated by a mitigation activity during a specific monitoring period in line with relevant criteria under a <b>carbon crediting programme</b> .
<b>Vulnerable groups</b>	<b>Vulnerable groups</b> refer to "indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations", reflecting decisions on Article 6 of the Paris Agreement.

## Svensk ordlista

Denna ordlista innehåller svenska översättningar av nyckeltermerna som används i den nordiska koden för bästa praxis för användning av växthusgaskrediter ("koden").

Engelska	Svenska	Beskrivning
<b>1.5°C-aligned pathway</b>	<b>1.5°C-anpassad utvecklingsväg</b>	<b>1.5°C-anpassad utvecklingsväg</b> syftar på en utvecklingsväg för en aktörs direkta och indirekta utsläpp som är konsistent med att begränsa ökningen av den globala medeltemperaturen till 1.5 grader i enlighet med Parisavtalets långsiktiga temperaturmål.
<b>Additionality</b>	<b>Additionalitet</b>	<b>Additionalitet</b> innebär att vid tidpunkten för beslut om huruvida en aktivitet ska genomföras, så skulle de <b>växthusgasminskningar</b> som aktiviteten leder till inte ha blivit av i frånvaro av de incitament som intäkter från <b>växthusgaskrediter</b> ger.
<b>Baseline</b>	<b>Referensbana</b>	En referensbana är ett hypotetiskt scenario avseende de utsläpp som förutses eller antas äga rum i frånvaro av dels de incitament som i ett specifikt fall skapas genom <b>växthusgaskrediter</b> , dels med dessa incitament associerade klimatåtgärder, när allt annat hålls konstant.
<b>Carbon credit</b>	<b>Växthusgaskredit</b>	En <b>växthusgaskredit</b> är ett handelsbart finansiellt instrument som utfärdas av särskilda <b>krediteringsprogram</b> och som representerar en verifierad växthusgasminskning motsvarande ett ton koldioxidkvaliteter, som uppstår när en aktivitet genomförs. Kvantifieringen är baserad på skillnaden mellan utsläppsnivån för den aktuella referensbanan respektive för den aktuella aktivitetens genomförande. <b>Växthusgaskrediter</b> har unika serienummer och utfärdas, spåras och annulleras inom elektroniska register som hanteras av en administrativ entitet, såsom administratören för ett <b>krediteringsprogram</b> .
<b>Carbon crediting programme</b>	<b>Krediteringsprogram</b>	Ett <b>krediteringsprogram</b> är ett program som, baserat på programmets kriterier, sätter standarder för registrering av växthusgasminskande aktiviteter och för utfärdande av växthusgaskrediter på basis av aktiviteterna. <b>Växthusgaskrediter</b> av hög integritet måste utfärdas av krediteringsprogram som lever upp till kriterierna för <b>krediteringsprogram</b> i denna kod för bästa praxis.
<b>Carbon neutrality</b>	<b>Växthusgasneutralitet</b>	Globalt uppnås <b>växthusgasneutralitet</b> när de mänskligt orsakade utsläppen av växthusgaser balanseras av mänskligt orsakade upptag i kolsänkor på global nivå över en viss tidperiod (t.ex. på årlig basis). För icke-statliga entiteter refererar begreppet till en situation där växthusgasutsläpp som hänförs till en aktörs verksamhet, produkt eller tjänst har kompenserats fullt ut medelst användning av minst motsvarande mängd <b>växthusgaskrediter av hög integritet</b> . Dessa tas då i anspråk exklusivt av den aktuella aktören, så att den kombinerade effekten av dessa <b>växthusgaskrediter av hög integritet</b> och aktörens verksamhet, produkt eller tjänst på de globala nettoutsläppen av växthusgaser är noll. Anspråk avseende <b>växthusgasneutralitet</b> kan endast göras av organisationer med 1.5°C-anpassade mål, utvecklingsvägar och planer på plats och som kan visa upp en utveckling som är i linje med desamma.
<b>Carbon registry</b>	<b>Register för växthusgaskrediter</b>	Ett <b>register för växthusgaskrediter</b> är ett register avsett för spårning av utfärdande, överföringar och användning av <b>växthusgaskrediter</b> .
<b>Direct emissions</b>	<b>Direkta utsläpp</b>	Växthusgasutsläpp från källor till växthusgaser som ägs eller kontrolleras av den aktuella aktören (scope 1-utsläpp), såsom det definieras av ISO 14 064 och av Greenhouse Gas Protocol.
<b>Double claiming</b>	<b>Dubbla anspråk</b>	En situation som inträffar när samma <b>växthusgasminskning</b> tas i anspråk av flera olika aktörer för att användas mot växthusgasminskningens mål, t.ex. en gång av ett land där växthusgasminskningen äger rum, som därmed rapporterar lägre nettoutsläpp och räknar detta som ett bidrag till ett växthusgasminskningens mål och

		en gång av en aktör som använder en <b>växthusgaskredit</b> , som är baserad på samma <b>växthusgasminskning</b> , i klimatkompensationssyfte.
<b>Double counting</b>	<b>Dubbelräkning</b>	En situation som inträffar när en <b>växthusgasminskning</b> räknas mer än en gång. Dubbelräkning kan utgöras av <b>dubbelt utfärdande</b> , <b>dubbel användning</b> och/eller <b>dubbla anspråk</b> .
<b>Double issuance</b>	<b>Dubbelt utfärdande</b>	En situation som inträffar när två eller fler <b>växthusgaskrediter</b> utfärdas baserat på en och samma <b>växthusgasminskning</b> . Detta kan ske t.ex. om en klimatåtgärd registreras under två olika <b>krediteringsprogram</b> eller två gånger under samma <b>krediteringsprogram</b> .
<b>Double use</b>	<b>Dubbel användning</b>	En situation som inträffar när en och samma <b>växthusgaskredit</b> räknas mer än en gång mot klimatmål. Detta kan t.ex. inträffa om en aktör använder en <b>växthusgaskredit</b> för att uppfylla två olika syften.
<b>Environmental integrity</b>	<b>Miljöintegritet</b>	I samband med växthusgasmarknader betyder <b>miljöintegritet</b> att marknadsbaserat samarbete inte får leda till en nettoökning av växthusgasutsläpp jämfört med ett scenario där användning av marknadsbaserade instrument inte förekommer.
<b>High-Integrity Carbon Credit</b>	<b>Växthusgaskredit av hög integritet</b>	En <b>växthusgaskredit av hög integritet</b> representerar en <b>växthusgasminskning</b> som lever upp till kodens kriterier för <b>växthusgasminskningar</b> och som utfärdas av ett <b>krediteringsprogram</b> som lever upp till kodens kriterier för <b>krediteringsprogram</b> .
<b>Indirect emissions</b>	<b>Indirekta utsläpp</b>	Växthusgasutsläpp som uppstår till följd av en aktörs verksamhet och aktiviteter, men som härrör från källor som inte ägs eller kontrolleras av den aktuella aktören (scope 2- och scope 3-utsläpp), så som det definieras av ISO 14 064 och Greenhouse Gas Protocol.
<b>Leakage</b>	<b>Läckage</b>	<b>Läckage</b> syftar på icke önskade utsläppsökningar som kan kopplas till genomförandet av en klimatåtgärd men som uppstår utanför dess systemgränser.
<b>Mitigation outcome</b>	<b>Växthusgasminskning</b>	Utsläppsminskningar och upptag/borttagning av koldioxid med lagring i sänkor/lager kallas kollektivt för <b>växthusgasminskningar</b> .
<b>National mitigation contribution</b>	<b>Bidrag till nationellt klimatmål</b>	Med <b>bidrag till nationellt klimatmål</b> menas frivillig användning av <b>växthusgaskrediter av hög kvalitet</b> i syfte att ge världsländet stöd att klara uppfyllnad av existerande nationella klimatmål.
<b>Offsetting</b>	<b>Klimatkompensation</b>	<b>Klimatkompensation</b> syftar på frivillig användning av <b>växthusgaskrediter av hög integritet</b> när de med krediterna associerade <b>växthusgasminskningarna</b> , i samband med detta, tas i anspråk för att kvitta växthusgasutsläpp som orsakas av en aktörs verksamhet, så att den kombinerade effekten av dessa <b>växthusgaskrediter av hög integritet</b> och växthusgasutsläpp på de globala nettoutsläppen av växthusgaser är noll.
<b>Overall mitigation in global emissions</b>	<b>Övergripande begränsning av globala utsläpp</b>	En <b>övergripande begränsning av globala utsläpp</b> skapas när <b>växthusgaskrediter av hög integritet</b> används som representerar <b>växthusgasminskningar</b> som går utöver världsländers existerande klimatmål och användningen inte är för <b>klimatkompensation</b> .
<b>Permanence</b>	<b>Permanens</b>	Permanens syftar på en situation där växthusgasminskningar som skapas genom en klimatåtgärd inte reverseras i ett senare skede. För aktiviteter som innebär att det föreligger en signifikant risk för reversibilitet måste risken för icke-permanens hanteras genom robusta skyddsåtgärder (t.ex. försäkringslösningar, buffertzooner eller ansvarsbestämmelser).
<b>Use of High-Integrity Carbon Credits</b>	<b>Användning av växthusgaskrediter av hög integritet</b>	Användning av <b>växthusgaskrediter av hög kvalitet</b> syftar på annullering, eller på annat sätt permanent borttagning från cirkulation, av <b>växthusgaskrediter av hög kvalitet</b> i ett <b>register för växthusgaskrediter</b> som lever upp till kodens kriterier för <b>register för växthusgaskrediter</b> .
<b>Validation</b>	<b>Validering</b>	Inom ett <b>krediteringsprogram</b> innebär <b>validering</b> en granskning som utförs av en kompetent tredje part. Granskningen avser en växthusgasminskande aktivitet som har ansökt om registrering inom <b>krediteringsprogrammet</b> och görs mot relevanta kriterier som programmet tillämpar.

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<b>Verification</b>	<b>Verifiering</b>	Inom ett <b>krediteringsprogram</b> innebär <b>verifiering</b> en periodisk oberoende tredjepartsgranskning ex-post av en begäran från en aktivitetsägare om utfärdande av <b>växthusgaskrediter</b> . Granskningen avser övervakade och dokumenterade <b>växthusgasminskningar</b> som har genererats av en aktivitet under en bestämd övervakningsperiod och görs mot relevanta kriterier som programmet tillämpar.
<b>Vulnerable groups</b>	<b>Utsatta grupper</b>	<b>Utsatta grupper</b> syftar på "urfolk, lokala samhällen, migranter, barn, personer med funktionsnedsättning och personer i utsatta situationer", vilket återspeglar beslut angående Parisavtalets Artikel 6.

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## Norsk ordliste

Denne ordlisten inkluderer nøkkelbegreper som brukes i den nordiske retningslinjen for beste praksis for frivillig bruk av karbonkreditter ("koden").

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Engelsk	Norsk	Beskrivelse
1.5°C-aligned pathway	1.5°C-tilpasset forløp	<b>1.5°C-tilpasset forløp</b> viser til et forløp for en aktørs netto-utslipp som er konsistent med å begrense økningen i global gjennomsnittstemperatur til 1.5 grader, i tråd med det langsiktige temperaturmålet i Parisavtalen.
Additionality	Addisjonalt	<b>Addisjonalt</b> betyr at, på det tidspunkt tiltaket gjennomføres, så ville <b>klimagassreduksjon</b> ikke ha skjedd uten insentivene brakt tilveie med <b>karbonkreditter</b> .
Baseline	Referansebane	En <b>referansebane</b> er et hypotetisk scenario for utslipp i fravær av insentiver fra <b>karbonkreditter</b> , når andre faktorer holdes konstant.
Carbon credit	Karbonkreditt	En <b>karbonkreditt</b> er et omsettbart finansielt instrument som er utstedt av et <b>karbonkreditteringsprogram</b> og representerer verifiserte <b>klimagassreduksjon</b> uttrykt i metriske tonn karbondioksyd ekvivalenter, og beregnet som forskjellen mellom utslippene i <b>referansebanen</b> og de faktiske verifiserte utslippene når tiltaket er gjennomført. <b>Karbonkreditter</b> er, unike, serienummerte, utstedte, sporede, og inndratte eller <b>kansellerte</b> i form av et elektronisk <b>karbonregister</b> bestyrt av en administrator typisk knyttet opp mot et <b>karbonkreditteringsprogram</b> .
Carbon crediting programme	Karbonkreditteringsprogram	Et <b>karbonkreditteringsprogram</b> er et standard-basert program for registrering av klimagass tiltak, og som utsteder karbonkreditter i tråd med programmets kriterier. Høy-Integritet Karbonkreditter må utstedes av et <b>karbonkreditteringsprogram</b> som tilfredstiller kriteriene til karbonkreditteringsprogram i tråd med denne Koden.
Carbon neutrality	Karbonnøytralitet	På globalt nivå er <b>karbonnøytralitet</b> oppnådd når antropogener CO <sub>2</sub> utslipp er balansert globalt med antropogener CO <sub>2</sub> opptak over en spesifisert periode (f.eks. på årlig basis). <b>Karbonnøytralitet</b> er ofte også ment å omfatte andre klimagasser enn CO <sub>2</sub> . For ikke-statlig aktører, refererer <b>karbonnøytralitet</b> seg til en situasjon hvor klimagassutslipp som kan henføres til en aktørs virksomhet, produkter eller tjenester fullt ut blir utlignet (offset) av en tilsvarende mengde <b>Høy-Integritet Karbonkreditter</b> som eksklusivt er gjort krav på av gjeldene aktør. Da vil det samlede bidrag av disse <b>Høy-Integritet Karbonkreditter</b> og aktørens virksomhet, produkter og tjenester til netto klimagassutslipp være null. <b>Karbonnøytralitet</b> kan bare påberopes av organisasjoner som har på plass 1.5°C-tilpassede mål, forløp og planer og har en utvikling i tråd med disse.
Carbon registry	Karbonregister	For ikke-statlig aktører, refererer karbonnøytralitet seg til en situasjon hvor klimagassutslipp som kan henføres til en aktørs virksomhet, produkter eller tjenester fullt ut blir utlignet (offset) av en tilsvarende mengde Høy-Integritet Karbonkreditter som eksklusivt er gjort krav på av gjeldene aktør. Da vil det samlede bidrag av disse Høy-Integritet Karbonkreditter og aktørens virksomhet, produkter og tjenester til netto klimagassutslipp være null. Karbonnøytralitet kan bare påberopes av organisasjoner som har på plass 1.5°C-tilpassede mål, forløp og planer og har en utvikling i tråd med disse.
Direct emissions	Direkte utslipp	Utslipp av klimagasser fra klimagasskilder som er eid eller kontrollert av aktøren

		(scope 1 utslipp), slik det er definert i ISO 14 064 og och Greenhouse Gas Protocol.
<b>Double claiming</b>	<b>Dobbelt krav</b>	En situasjon hvor mer enn en aktør gjør krav på at samme klimatiltaket, f.eks. én gang av et landet eller jurisdiksjon hvor klimatiltaket gjennomføres, og én gang av aktøren som bruker tilhørende karbonkreditter for klimakompensasjonsformål.
<b>Double counting</b>	<b>Dobbeltelling</b>	En situasjon hvor den samme <b>klimagassreduksjon</b> er regnet dobbelt i forhold til ett klimamål. Dobbeltelling kan forekomme som et resultat av dobbelt utstedelse, dobbelt bruk og/eller dobbelt krav.
<b>Double issuance</b>	<b>Dobbelt utstedelse</b>	En situasjon hvor mer enn en <b>karbonkreditt</b> er utstedt for samme <b>klimagassreduksjon</b> . Dette kan forekomme når samme <b>tiltak</b> er registrert under to forskjellige <b>karbonkredittprogrammer</b> eller flere ganger under samme <b>karbonkredittprogram</b> .
<b>Double use</b>	<b>Dobbelt bruk</b>	En situasjon hvor samme <b>karbonkreditt</b> regnes flere ganger i forhold til et klimagassiltak. Dette kan, for eksempel, skje dersom en aktør bruker en spesifikk <b>karbonkreditt</b> for flere formål.
<b>Environmental integrity</b>	<b>Miljøintegritet</b>	I sammenheng med karbonmarkeder betyr <b>miljøintegritet</b> at markedsbasert samarbeid ikke må føre til økte utslipp av klimagasser sammenlignet med et <b>scenario</b> hvor markedsbaserte løsninger ikke er brukt.
<b>High-Integrity Carbon Credit</b>	<b>Høy-Integritet Karbonkreditter</b>	En <b>Høy-Integritet Karbonkreditt</b> er en klimagassreduksjon som følger som et resultat av et <b>klimagassiltak</b> som følger kriteriene i Koden for klimagassiltak og som er utstedt under et <b>karbonkredittprogram</b> som følger kriteriene i Koden for <b>karbonkredittprogram</b> .
<b>Indirect emissions</b>	<b>Indirekte utslipp</b>	Utslipp av klimagasser fra klimagasskilder som er en konsekvens av en aktørs aktiviteter, men hvor utslippskildene ikke er eid eller kontrollert av aktøren (scope 2 og scope 3 utslipp), slik det er definert i ISO 14 064 og och Greenhouse Gas Protocol.
<b>Leakage</b>	<b>Lekkasje</b>	<b>Lekkasje</b> refererer seg til en utilsiktet økning i utslipp som kan henføres til <b>klimatiltak</b> utenfor tiltakets grenser.
<b>Mitigation outcome</b>	<b>Klimagassreduksjon</b>	Utslppsreduksjoner og opptak av klimagasser regnes samlet sett som <b>klimagassreduksjon</b> .
<b>National mitigation contribution</b>	<b>Nasjonalt bidrag til klimatiltak</b>	Et <b>nasjonalt bidrag til klimatiltak</b> refererer seg til frivillig bruk av <b>Høy-Integritet Karbonkreditter</b> som hjelper vertslandet å nå sitt eksisterende klimagassmål.
<b>Offsetting</b>	<b>Offsetting (utligning)</b>	<b>Offsetting (utligning)</b> er frivillig bruk av <b>Høy-Integritet Karbonkreditter</b> og et krav om at resultatene av det tilhørende <b>klimagassiltaket</b> eksklusivt motvirkes av en tilsvarende mengde klimagassutslipp som tilskrives en aktør, et produkt eller en tjeneste innenfor dets grenser eller verdikjede, på en slik måte at det samlede bidraget av disse <b>Høy-Integritet Karbonkredittene</b> og utslipp til globale netto klimagassutslipp er null.
<b>Overall mitigation in global emissions</b>	<b>Samlet reduksjon i globale utlipp</b>	<b>Samlet reduksjon i globale utlipp</b> utføres med bruk av <b>Høy-Integritet Karbonkreditter</b> som representerer utslippstiltak utover landenes utslippsmål og som ikke er brukt for <b>offsetting</b> .
<b>Permanence</b>	<b>Permanens</b>	Permanens refererer seg til en situasjon hvor resultater fra <b>klimagassiltak</b> ikke seinere blir reversert. I de tilfeller hvor der er risiko for at tiltakens resultater kan bli reversert skal slik ikke-permanens tilnærmes med gjennomføring av sikringstiltak (f.eks. forsikring, buffergrupper, ansvarsregelverk).
<b>Use of High-Integrity Carbon Credits</b>	<b>Bruk av Høy-Integritet Karbonkreditter</b>	<b>Bruk av Høy-Integritet Karbonkreditter</b> refererer seg til kansellering, inndragning eller annen permanent fjerning av <b>Høy-Integritet Karbonkreditter</b> fra et <b>karbonregister</b> som tilfredstiller Kodens <b>Karbonkreditt</b> Kriterier.
<b>Validation</b>	<b>Validering</b>	I sammenheng med <b>karbonkredittprogrammer</b> refererer validering seg til en gjennomgang og vurdering av et <b>klimagassiltak</b> av et kompetent tredje-partsenhet etterfulgt av en anmodning om registrering av tiltaket når <b>karbonkredittprogrammets</b> kriteriene er oppfylt.

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<b>Verification</b>	<b>Verifikasjon</b>	I sammenheng med <b>karbonkredittprogrammer</b> refererer verifikasjon seg til en periodisk gjennomgang og vurdering av ex-post resultater av <b>klimgasreduksjon</b> av et kompetent tredjepartsenhet etterfulgt av en anmodning om utstedelse av <b>karbonkreditter</b> når relevante kriterier under <b>karbonkredittprogrammet</b> er oppfylt.
<b>Vulnerable groups</b>	<b>Sårbare grupper</b>	<b>Sårbare grupper</b> er urfolk, lokale samfunn, migranter, barn, personer med funksjonshemninger og mennesker i utsatte situasjoner, og som reflektert i Parisavtalens Artikkel 6.

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## Suomenkielinen sanasto

Tämä sanasto sisältää keskeiset käsitteet, joita käytetään hillintäyksiköiden vapaaehtoisen käytön parhaita käytänteitä koskevassa pohjoismaisessa ohjeessa ("ohje").

Englanti	Suomi	Kuvaus
1.5°C-aligned pathway	1,5 asteen mukainen polku	<b>1,5 asteen mukainen polku</b> tarkoittaa toimijan suorien ja epäsuorien päästöjen polkua, joka on Pariisin sopimuksen pitkän aikavälin lämpötilatavoitteen mukainen eli yhteensopiva sen kanssa, että globaalin keskilämpötilan nousu saadaan rajoitettua 1,5 asteeseen.
Additionality	Lisäisyys	Lisäisyys tarkoittaa sitä, että <b>ilmastotoimien hillintätulokset</b> eivät olisi toteutuneet toteuttamista koskevan päätöksenteon aikaan ilman <b>hillintäyksiköiden</b> myyntitulojen luomaa kannustinta.
Baseline	Perusura	<b>Perusura</b> on hypoteettinen skenaario päästöjen oletetusta kehitymisestä ilman <b>hillintäyksiköiden</b> myyntitulojen luomaa kannustinta ja niihin liittyviä ilmastotoimia, muiden tekijöiden ollessa vakioita.
Carbon credit	Hillintäyksikkö	<b>Hillintäyksikkö</b> on <b>sertifiointiohjelman</b> liikkeelle laskema taloudellinen instrumentti, jolla voi käydä kauppaa ja joka edustaa yhden hiilidioksidiekvivalenttitonnin suuruisia, perusuran ja toiminnan päästöjen erotuksena laskettua, todennettua <b>ilmastotoimien hillintätulosta</b> . Yksiköille annetaan ainutkertainen sarjanumero, ne lasketaan liikkeelle, niitä seurataan ja ne mitätöidään sähköisessä hiilirekisterissä, jota hallinnoi hallintoelin (esimerkiksi <b>sertifiointiohjelman</b> hallinnoija).
Carbon crediting programme	Sertifiointiohjelma	<b>Sertifiointiohjelma</b> rekisteröi ilmastotoimia ja laskee liikkeelle <b>hillintäyksiköitä</b> ohjelman kriteerien perusteella.
Carbon neutrality	Hiilineutraalius	Globaalilla tasolla <b>hiilineutraalius</b> saavutetaan, kun ihmisen aiheuttamat hiilidioksidipäästöt ovat globaalisti tasapainossa ihmisen aiheuttamien poistumien kanssa tietyllä ajanjaksolla (esim. vuositasolla). Hiilineutraalius kattaa usein hiilidioksidin lisäksi myös muut kasvihuonekaasut. Ei-valtiollisten toimijoiden <b>hiilineutraalius</b> viittaa tilanteeseen, jossa toimintoihin, tuotteisiin tai palveluihin liittyvien päästöjen ilmastohaitta on täysimääräisesti <b>kumottu käyttämällä</b> vähintään vastaava määrä <b>korkealaatuisia hillintäyksiköitä</b> siten, että kyseisten päästöjen ja <b>yksiköiden</b> yhteenlaskettu vaikutus globaaleihin nettopäästöihin on nolla. Organisaatioiden tulisi tehdä hiilineutraaliusväittämiä vain, jos niillä on 1,5 asteen mukaiset tavoitteet, polut ja suunnitelmat ja ne myös ovat tavoitepolulla.
Carbon registry	Hiilirekisteri	<b>Hiilirekisteri</b> on rekisteri, jossa pidetään kirjaa <b>hillintäyksiköiden</b> liikkeellelaskemisesta, siirroista ja käytöstä.
Direct emissions	Suorat päästöt	<b>Suorat päästöt</b> ovat kasvihuonekaasupäästöjä (ns. scope 1), jotka ovat toimijan omistuksessa tai hallinnassa ISO 14 064 - ja Greenhouse Gas Protocol -standardien mukaisesti.
Double claiming	Kaksinkertainen hyväksiluku	<b>Kaksinkertainen hyväksiluku</b> on tilanne, jossa sama ilmastotoimien <b>hillintätulos</b> lasketaan useamman kuin yhden toimijan hyväksi ilmastomuutoksen hillinnän saavuttamiseksi. Hyväksiluku voi tapahtua esimerkiksi kerran maalle, jonka toimivallan piiriin ilmastotoimien tulos kuuluu ja joka raportoi alemmat nettopäästöt kansallisen ilmastotavoitteen saavuttamisen arviointia koskevassa päästölaskennassa, ja lisäksi toimijalle, joka käyttää <b>hillintäyksikön</b> tehdäkseen <b>kumoutumisväittämän</b> .
Double counting	Kaksoislaskenta	<b>Kaksoislaskenta</b> on tilanne, jossa sama <b>ilmastotoimien hillintätulos</b> lasketaan useammin kuin kerran. Kaksoislaskentaa voi tapahtua <b>kaksinkertaisen liikkeellelaskun, kaksinkertaisen käytön ja kaksinkertaisen hyväksiluvun</b> kautta.



<b>Double issuance</b>	<b>Kaksinkertainen liikkeellelasku</b>	<b>Kaksinkertainen liikkeellelasku</b> on tilanne, jossa yhtä ja samaa <b>ilmastotoimien hillintätulosta</b> vastaan lasketaan liikkeelle useampi kuin yksi <b>hillintäyksikkö</b> . Näin voi käydä, jos yksi ja sama ilmastotoimi on rekisteröity useampaan kertaan (saman tai eri) <b>sertifiointiohjelman</b> puitteissa.
<b>Double use</b>	<b>Kaksinkertainen käyttö</b>	<b>Kaksinkertainen käyttö</b> on tilanne, jossa sama <b>hillintäyksikkö</b> lasketaan useammin kuin kerran ilmastonmuutoksen hillitsemisen edistämiseen. Näin voi käydä esimerkiksi, jos toimija käyttää yhden ja saman yksikön kahteen eri tarkoitukseen.
<b>Environmental integrity</b>	<b>Ympäristötavoitteiden loukkaamattomuus</b>	Hiilimarkkinoiden yhteydessä <b>ympäristötavoitteiden loukkaamattomuus</b> tarkoittaa, ettei hiilimarkkinoihin perustuva yhteistyö johda globaalien nettopäästöjen kasvuun verrattuna skenaarioon ilman tätä yhteistyötä.
<b>High-Integrity Carbon Credit</b>	<b>Korkealaatuinen hillintäyksikkö</b>	<b>Korkealaatuinen hillintäyksikkö</b> tarkoittaa <b>ilmastotoimien hillintätulosta</b> , joka täyttää ohjeen kriteerit ja jonka on laskenut liikkeelle ohjeen kriteerit täyttävä <b>sertifiointiohjelma</b> .
<b>Indirect emissions</b>	<b>Epäsuorat päästöt</b>	<b>Epäsuorat päästöt</b> ovat kasvihuonekaasupäästöjä (ns. scope 2 ja scope 3), jotka ovat seurausta toimijan toiminnasta, mutta joiden lähteet eivät ole toimijan omistamia tai hallinnassa ISO 14 064 – ja Greenhouse Gas Protocol -standardien mukaisesti.
<b>Leakage</b>	<b>Hiilivuoto</b>	<b>Hiilivuoto</b> tarkoittaa ilmastotoimien aiheuttamaa kasvua päästöissä toimien rajojen ulkopuolella.
<b>Mitigation outcome</b>	<b>Ilmastotoimien hillintätulos</b>	<b>Ilmastotoimien hillintätulos</b> tarkoittaa kasvihuonekaasujen päästöjen vähennystä tai poistumien lisäystä.
<b>National mitigation contribution</b>	<b>Tuki kansallisen ilmastotavoitteen saavuttamiselle</b>	<b>Tuki kansallisen ilmastotavoitteen saavuttamiselle</b> tarkoittaa <b>korkealaatuisten hillintäyksikköiden käyttämistä</b> isäntämaan ilmastotavoitteiden saavuttamisessa.
<b>Offsetting</b>	<b>Kumoaminen</b>	<b>Kumoaminen</b> tarkoittaa <b>korkealaatuisten hillintäyksikköiden käyttämistä</b> ja siihen liittyvien <b>ilmastotoimien hillintätulosten</b> laskemista yksinomaan kumoamaan ilmastohaitta, joka liittyy vastaavaan määrään toimijan, tuotteen tai palvelun aiheuttamia päästöjä siten, että näiden <b>yksiköiden</b> ja päästöjen yhteisvaikutus globaaleihin nettopäästöihin on nolla.
<b>Overall mitigation in global emissions</b>	<b>Gloaali nettopäästövähenys</b>	<b>Gloaali nettopäästövähenys</b> saavutetaan käyttämällä korkealaatuisia <b>hillintäyksiköitä</b> , jotka edustavat <b>ilmastotoimien hillintätuloksia</b> , joita ei lasketa minkään maan olemassa oleviin ilmastotavoitteisiin eikä toimijan omien päästöjen <b>kumoamiseen</b> .
<b>Permanence</b>	<b>Pysyvyys</b>	<b>Pysyvyys</b> tarkoittaa sitä, että <b>ilmastotoimien hillintätulos</b> ei peruunnu ajan mittaan. Toimilta, joihin liittyy tulosten peruuntumisriski, edellytetään riskinhallintatoimia (esim. vakuutus, turvavara, vastuusäädökset).
<b>Use of High-Integrity Carbon Credits</b>	<b>Korkealaatuisten hillintäyksikköiden käyttö</b>	<b>Korkealaatuisten hillintäyksikköiden käyttö</b> tarkoittaa niiden mitätöintiä tai muuta tapaa pysyvästi estää yksiköiden käyttö ohjeen kriteerit täyttävässä <b>hiilirekisterissä</b> .
<b>Validation</b>	<b>Validointi</b>	<b>Sertifiointiohjelmien</b> yhteydessä <b>validointi</b> tarkoittaa pätevän kolmannen osapuolen suorittamaa arviointia siitä, täyttävätkö rekisteröintiä hakeva ilmastotoimi <b>sertifiointiohjelman</b> kriteerit.
<b>Verification</b>	<b>Todentaminen</b>	<b>Sertifiointiohjelmien</b> yhteydessä <b>todentaminen</b> tarkoittaa pätevän kolmannen osapuolen suorittamaa arviointia siitä, täyttävätkö tietyn seurantakauden aikana aikaansaadut <b>ilmastotoimien hillintätulokset</b> <b>sertifiointiohjelman</b> kriteerit.
<b>Vulnerable groups</b>	<b>Haavoittuvat ryhmät</b>	<b>Haavoittuvilla ryhmillä tarkoitetaan</b> Pariisin sopimuksen 6 artiklaan liittyvien päätösten mukaisia "alkuperäiskansoja, paikallisyhteisöjä, siirtolaisia, lapsia, vammaisia henkilöitä ja haavoittuvassa asemassa olevia henkilöitä".

# ANNEX 3. SUMMARY OF VIEWS FROM THE NORDIC CONSULTATION ON THE DRAFT CODE

The draft Nordic Code for Best Practice for Voluntary Compensation of Greenhouse Gas Emissions ("Code") was open for comments from Nordic stakeholders from 8 June until 20 August 2022. 23 responses were received through the online survey, covering Finland (10), Sweden (8), Denmark (2), Iceland (1) and multiple Nordic countries (2). Respondents represented companies and businesses (13), non-governmental organisations (3), governments (3), a business association (1) and a financial institution (1). Of the respondents, six identified themselves as women and 16 as men.

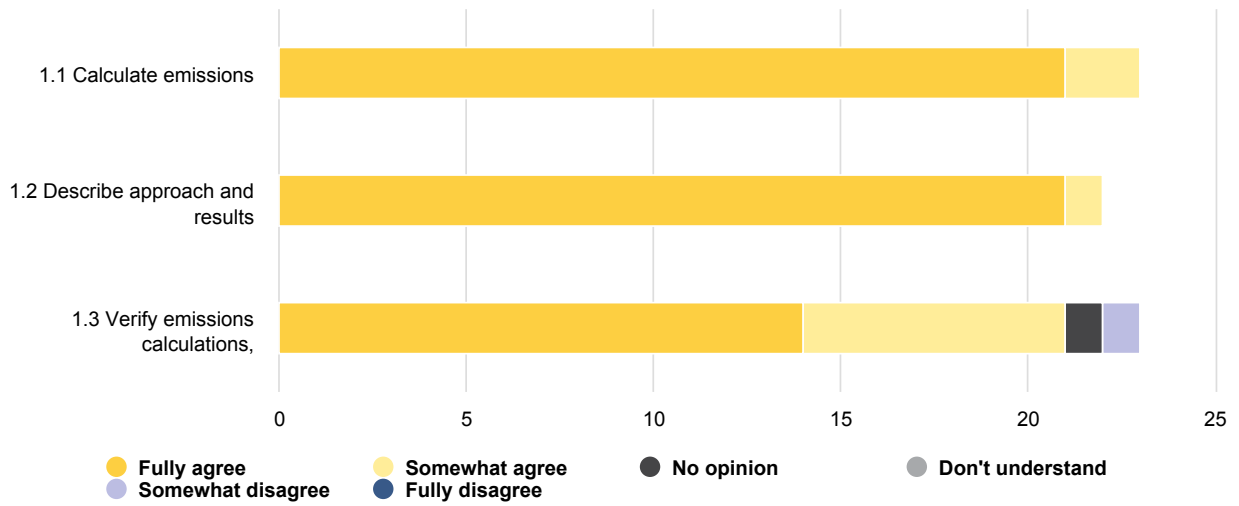
For each the Code's requirements<sup>8</sup>, respondents had the option to select one of the following responses: fully agree, somewhat agree, no opinion, don't understand, somewhat disagree, fully disagree. The results are shown below.

In addition, respondents had the option to provide open comments for each requirement.

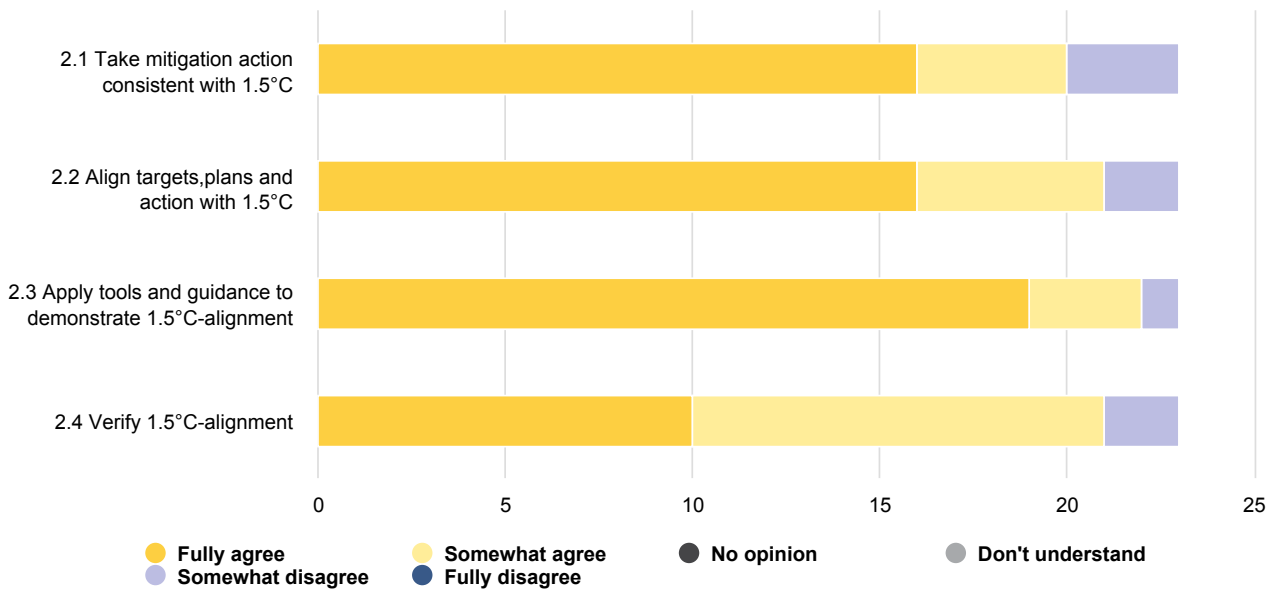
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8. In the presented results, the requirements have been numbered to reflect the Final Code's numbering.

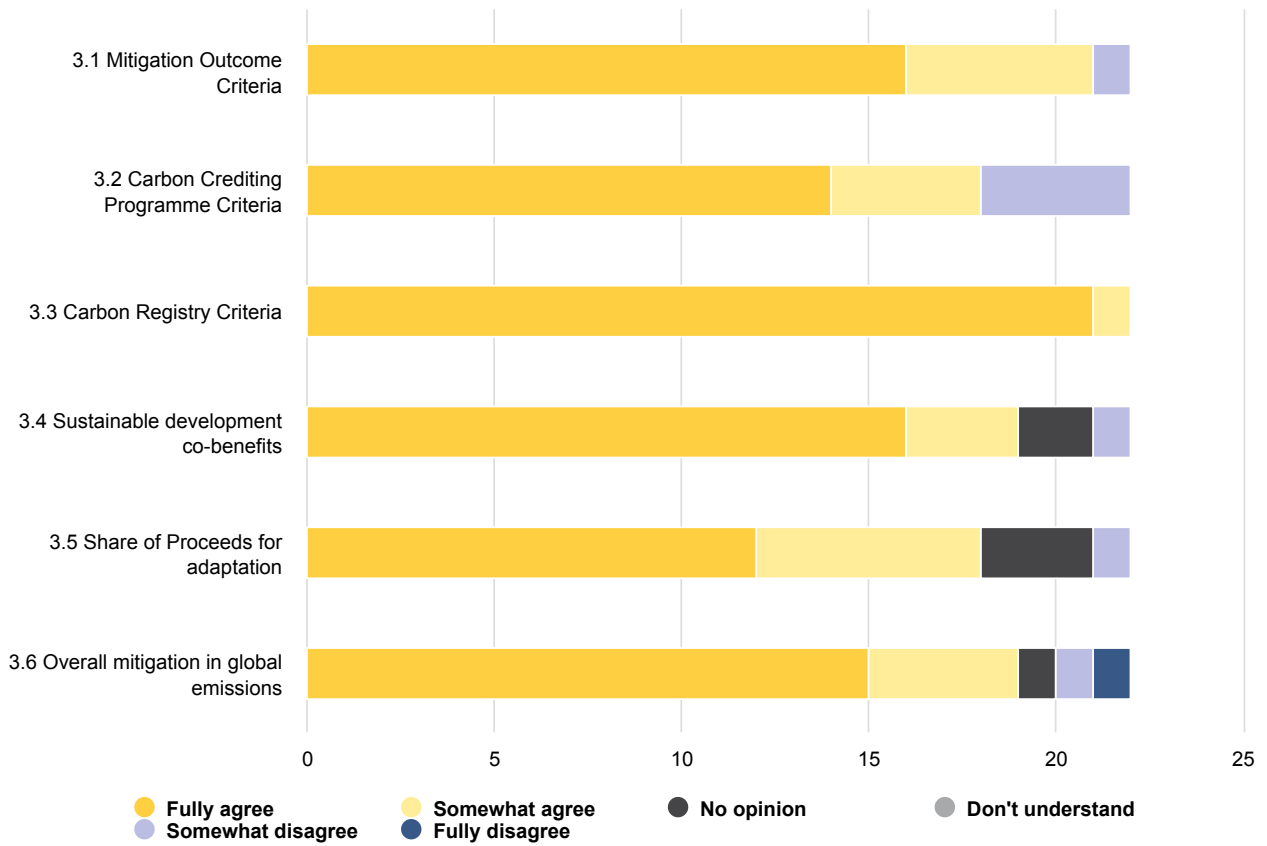
### Requirement 1: Robust and comprehensive quantification of relevant emissions



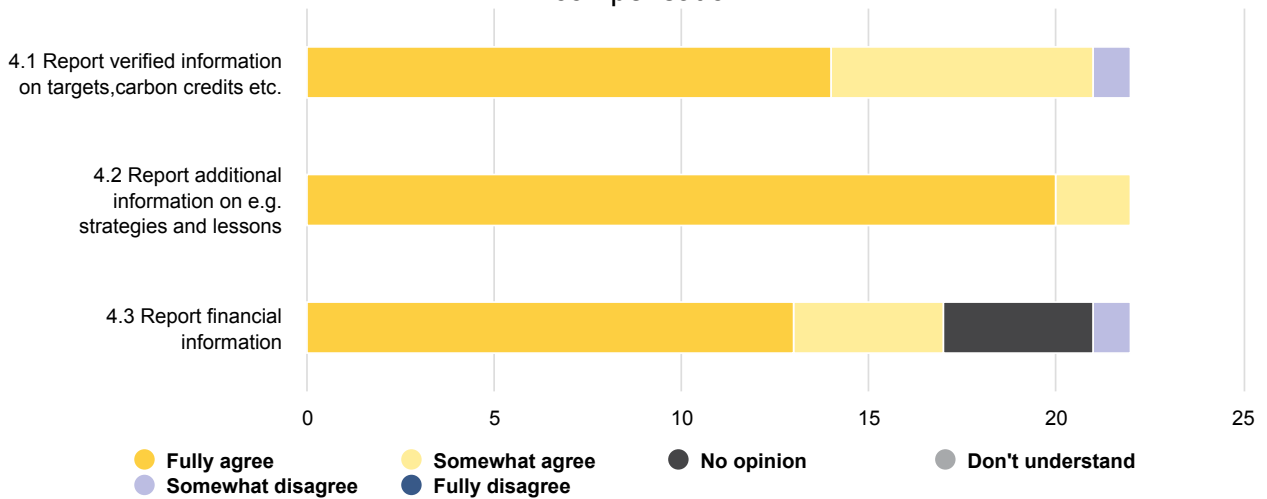
### Requirement 2: Reducing emissions consistently with a 1.5°C-aligned pathway



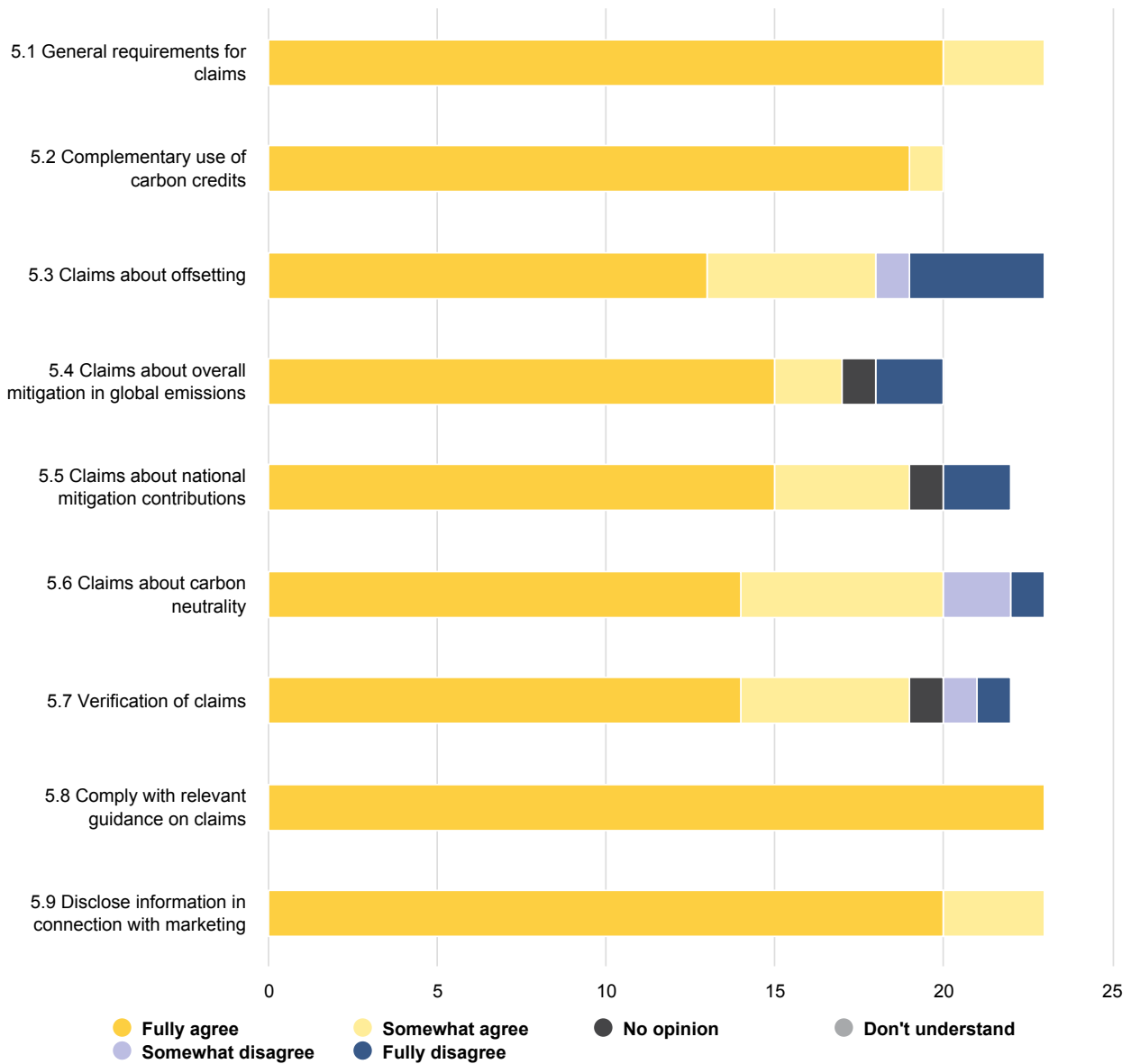
### Requirement 3: Voluntary compensation with high-integrity mitigation outcomes



### Requirement 4: Reporting of emissions, mitigation action and voluntary compensation



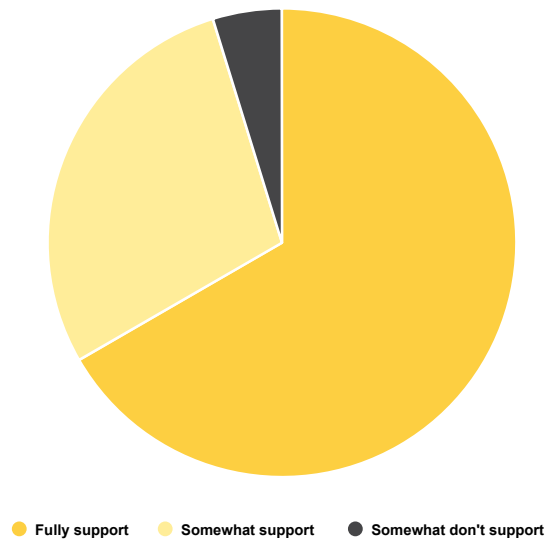
## Requirement 5: Ensuring the integrity of claims



### General support for the Code

The was broad general support for the draft Code among the respondents. According to the comments, the Code is needed and the exercise with stakeholders was considered useful. The Code's focus on best practice was welcomed and was considered to be ambitious and provide an important reference point for promoting high standards in the voluntary carbon markets.

General support for the draft Code



### Key issues with diverging views

While the majority of respondents fully agreed or agreed with the draft Code's requirements and recommendations, there were some areas where respondents expressed diverging views.

The role of third-party verification of key information and claims in enhancing transparency and credibility was widely acknowledged. However, some respondents questioned the need to require verification, citing concerns over imposing an unnecessary burden, especially on small- and medium-sized enterprises (SMEs). There were calls for providing flexibility for SMEs especially regarding, but not limited to, verification.

The need for avoiding double claiming with countries' mitigation targets was supported by the majority of respondents, but not all. Some respondents argued that offsetting claims are legitimate only if they are based on mitigation outcomes that are not counted towards the host country's mitigation targets, while others argued for the opposite.

While there was wide support for the recommendation to promote sustainable development co-benefits, there were diverging views about whether to make positive sustainable development co-benefits a mandatory requirement. Some argued that positive sustainable development impacts should be ensured while others argued that, while such co-benefits are desirable and add value, they should not distract from the imperative of ensuring the high integrity of the mitigation outcome associated with the carbon credits.

# About this publication

## Harnessing voluntary carbon markets for climate ambition

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