

4. OVER THE COURSE OF 2018, IETA HAS BEEN COLLECTING STORIES FROM ITS MEMBERS ON HOW THEY HAVE USED CARBON MARKETS TO EFFECT CHANGE. AS THE WORLD PREPARES FOR IMPLEMENTATION OF THE PARIS AGREEMENT AND THE NEXT WAVE OF MARKET MECHANISMS TO CUT GLOBAL GHG EMISSIONS, THESE STORIES SHOW WHAT CAN BE ACHIEVED WITH THE RIGHT POLICY FRAMEWORKS AND PRIVATE SECTOR INGENUITY. KATIE KOUCHAKJI SHINES A LIGHT ON SOME OF IETA'S TALANOA STORIES

TWENTY-ONE YEARS on from the first ever global agreement to cut greenhouse gas (GHG) emissions, the international community is putting the finishing touches on the 2015 Paris Agreement, which will significantly ramp up the global climate change response. This action needs to be swift and effective, with the Intergovernmental Panel on Climate Change warning that there are only 12 years until the global average temperature is more than 1.5°C higher than pre-industrial levels – the level beyond which there is a higher risk of flood, drought and extreme heat. In the panel's report, carbon pricing (which includes carbon markets) is acknowledged to be a vital component for all pathways to control this temperature increase – adding further urgency to the need to finalise rules and guidance for the new markets as envisioned in Article 6 of the Paris Agreement.

While the use of markets to reduce emissions was not a new concept in 1997, it took the Kyoto Protocol and its flexibility mechanisms, plus the EU's pioneering regional emissions trading system, to really showcase their potential on a grand scale. (They also highlighted areas for improvements, lessons which have benefitted the second generation of markets, and will inform the new mechanisms under the Paris Agreement). Simultaneously, growing corporate consciousness of business' environmental impact translated to increased voluntary offsetting, further driving innovation in approaches to cutting emissions.

For almost 20 years, IETA has represented the voice of business on carbon markets. IETA's membership represents a cross-section of highly experienced businesses involved in emissions trading, either as regulated entities in

one of the world's carbon markets, a service provider, or as a developer of offset projects. Their stories cut across sectors and geographies but have a common theme: how the power of markets is leading to real, verifiable, quantifiable and permanent emissions reductions.

Markets inherently seek efficiencies and maximum impacts for minimum costs: private sector investors in the carbon market pursue the greatest amount of emissions reductions possible at the lowest cost. This can range from transforming the cookstove sector in Ghana to preventing deforestation in Peru to developing new technology for low-carbon industrial-scale aluminium manufacturing. Their innovations will have lasting impact, both in terms of cutting emissions and in showing a new, cleaner way to conduct business.

The full collection of stories can be viewed online at www.ieta.org/Talanoa-Stories



VATTENFALL: FUELLING CLEANER STEEL

In partnership with SSAB and LKAB, Sweden's Vattenfall is developing a process to manufacture carbon-free steel. The HYBRIT project aims to use hydrogen instead of coal and coke in blast furnaces, eliminating CO₂ emissions from the process and leaving water as the sole by-product. The pilot plant is expected to be operational in 2020.

**BLUESOURCE:
CREATING A HEALTHIER
HEALTHCARE SYSTEM**

In North America, Bluesource is using carbon markets to reduce emissions from the healthcare sector in two innovative projects. In Alberta, the firm helped Alberta Health Services enhance the value of a series of energy efficiency projects by structuring a portfolio to capture the emissions reductions and claim offset credits under the province's emissions trading system. Meanwhile, in Virginia, Bluesource helped Rockingham County and Rockingham Memorial Hospital register a voluntary carbon project with Verra, in which gas from a local landfill is cleaned of impurities then piped to the hospital for use in a variety of ways, including to sterilise equipment.



**VERTIS:
CLEANING UP COOKING**

Using the sales of carbon credits to fund the distribution of clean cookstoves is one way that the carbon market can transform lives. By displacing fuels such as charcoal and wood, these projects improve the immediate air quality for families while also, typically, freeing up women and girls to pursue education or income-generating activities instead of gathering fuels and cooking for lengthy periods. Vertis, on behalf of a client, is supporting such a project in Peru, which was the first of its kind to be developed under the Gold Standard. The credits are used by the client to offset the portion of its emissions not covered by the EU ETS and which it cannot reduce by other means.

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**FIRST CLIMATE:
SAVING FORESTS WITH BIOGAS**

First Climate began distributing biogas digesters to rural households in India in 2007. These micro plants are fuelled by animal waste and can be used for cooking, lighting and water purification – displacing the need to burn wood and preserving forests. Other benefits include providing employment (as the digesters are built locally), improved health by reducing exposure to wood smoke, and reducing workloads for women and children, who no longer need to gather wood. The project is also registered with the Gold Standard and the credits sold in the voluntary market.

