



International Carbon  
Action Partnership

# **EMISSIONS TRADING WORLDWIDE**

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# About the International Carbon Action Partnership

An international **forum** of **40 national & subnational** governments to **exchange** knowledge and experiences on emissions trading systems (**ETS**)

- Share **best practice** & learn from each others' experiences
- Facilitate **linking** of carbon markets
- Explore the **role** of carbon pricing in climate policy



# Key trends for ETS worldwide



## **Emissions trading is increasingly becoming a key policy instrument for reaching net-zero goals**

*Governments around the world are undertaking reforms to align their systems with net-zero targets*



## **2021 and 2022 are years of consolidation and reform for ETS globally**

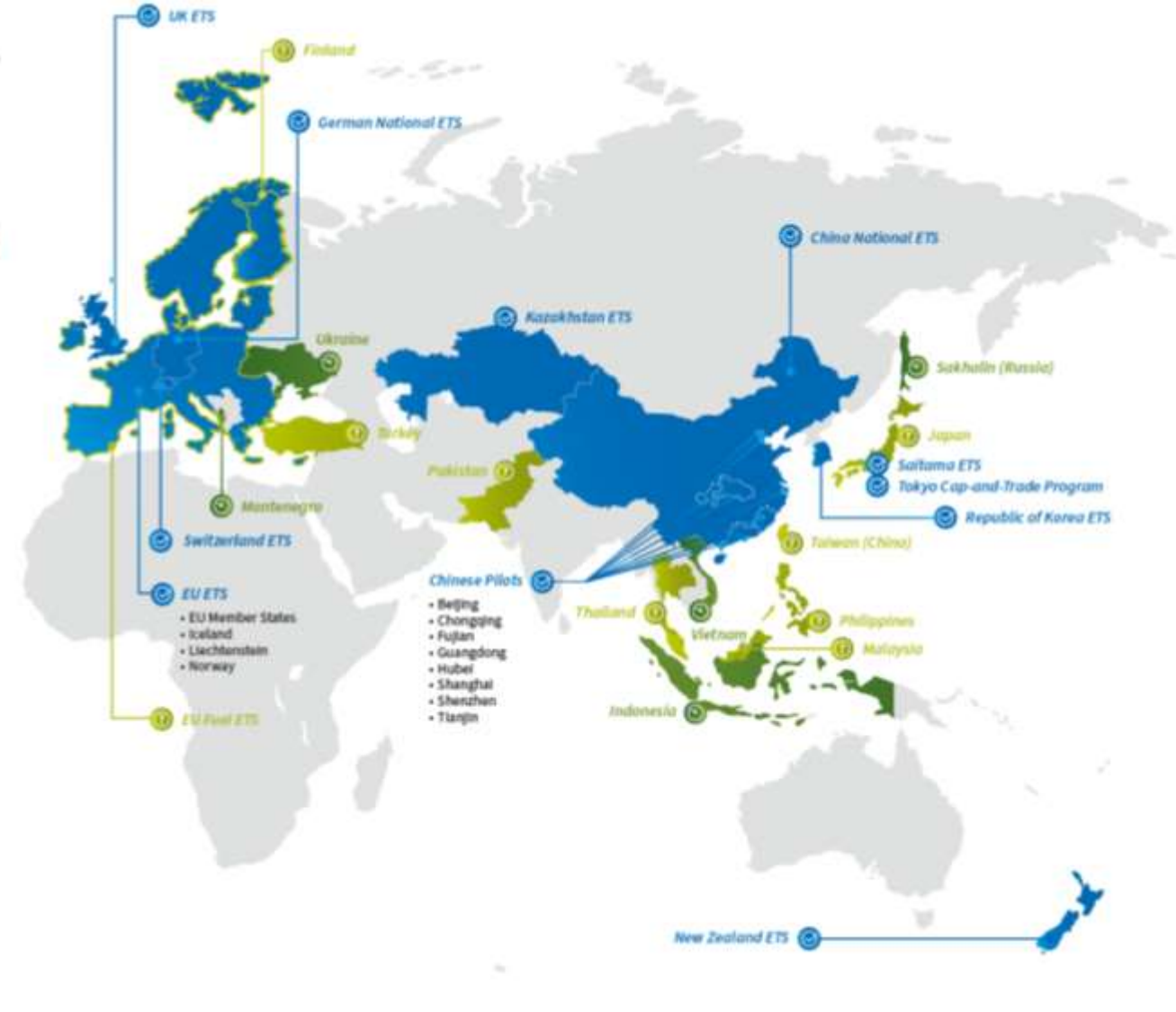
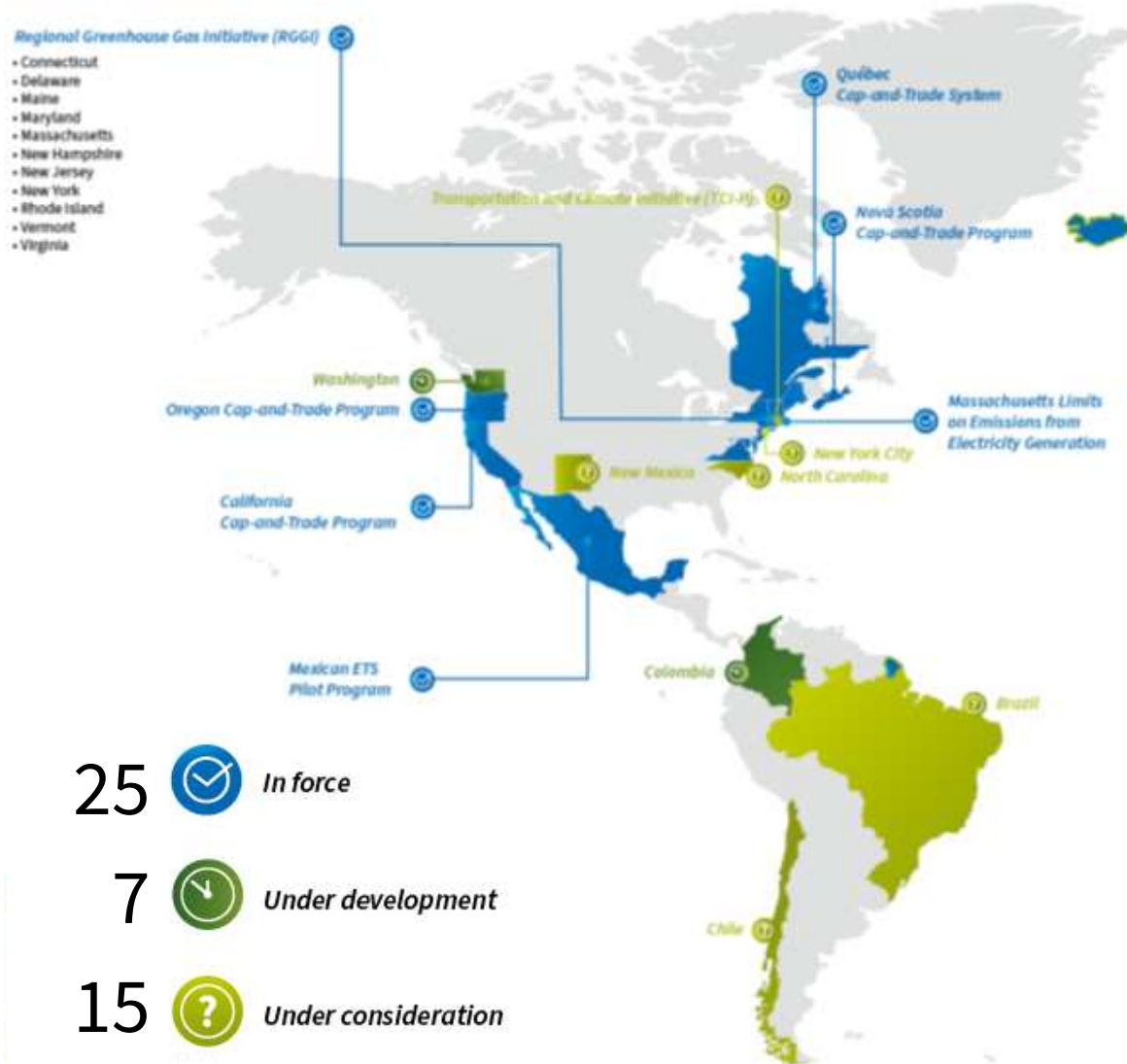
*ETSs are maturing and reforms are paving the way for more robust and ambitious systems*



## **Increased ambition has resulted in record carbon prices and revenues**

*Prices have risen across the board, generating record revenues*

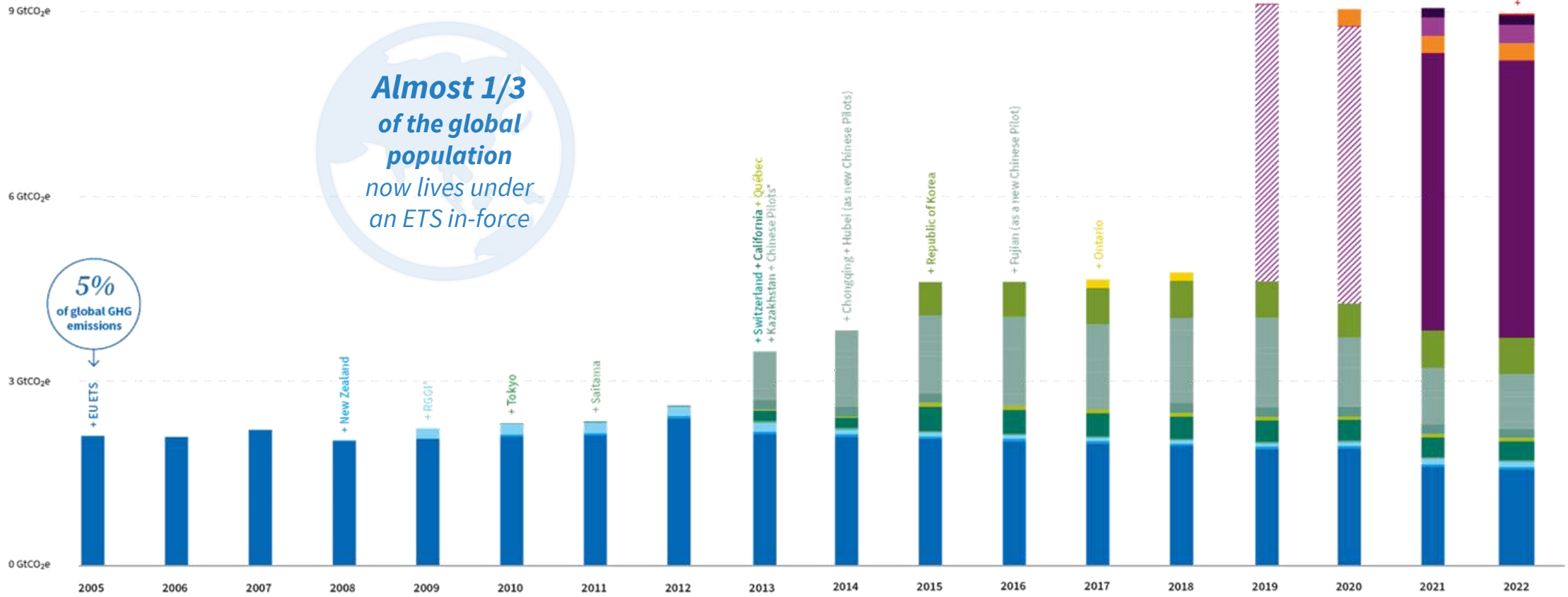
# ETS worldwide



# Global expansion of ETS

The number of ETS systems in force grew from 24 to 25 last year

Jurisdictions making up 55 % of global GDP are using emissions trading



5% of global GHG emissions

Almost 1/3 of the global population now lives under an ETS in-force

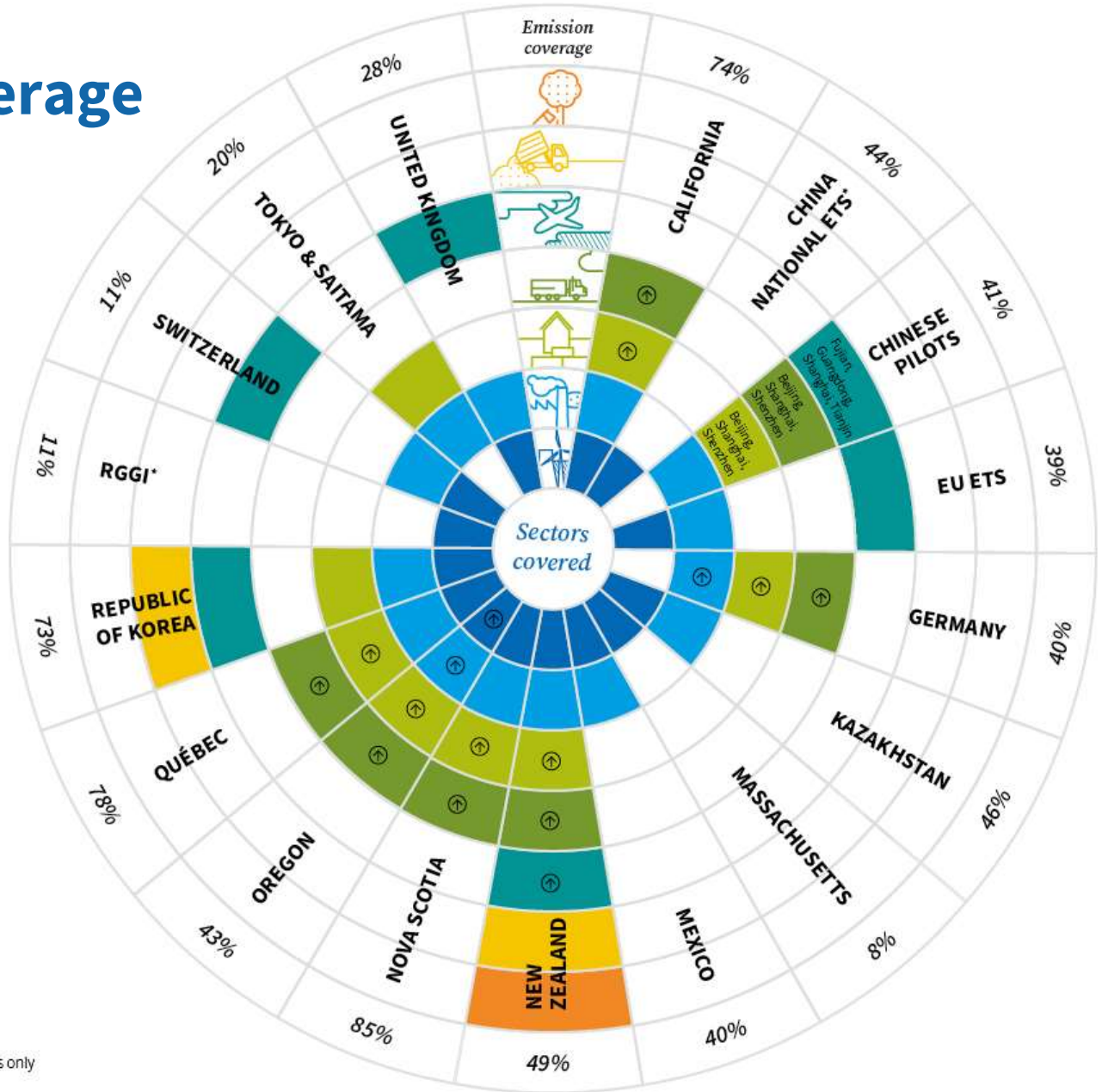
17% of global GHG emissions

\* RGGI includes New Jersey (as of 2020) and Virginia (as of 2021).

\* Beijing, Guangdong, Shanghai, Shenzhen, Tianjin

\* The Chinese National ETS came into force in 2021 but has retroactive compliance obligations in 2019 and 2020, indicated above by the striped bar  
 \*\* In 2021, the UK launched its own ETS which required an adjustment in the EU ETS cap.

# Sectoral coverage



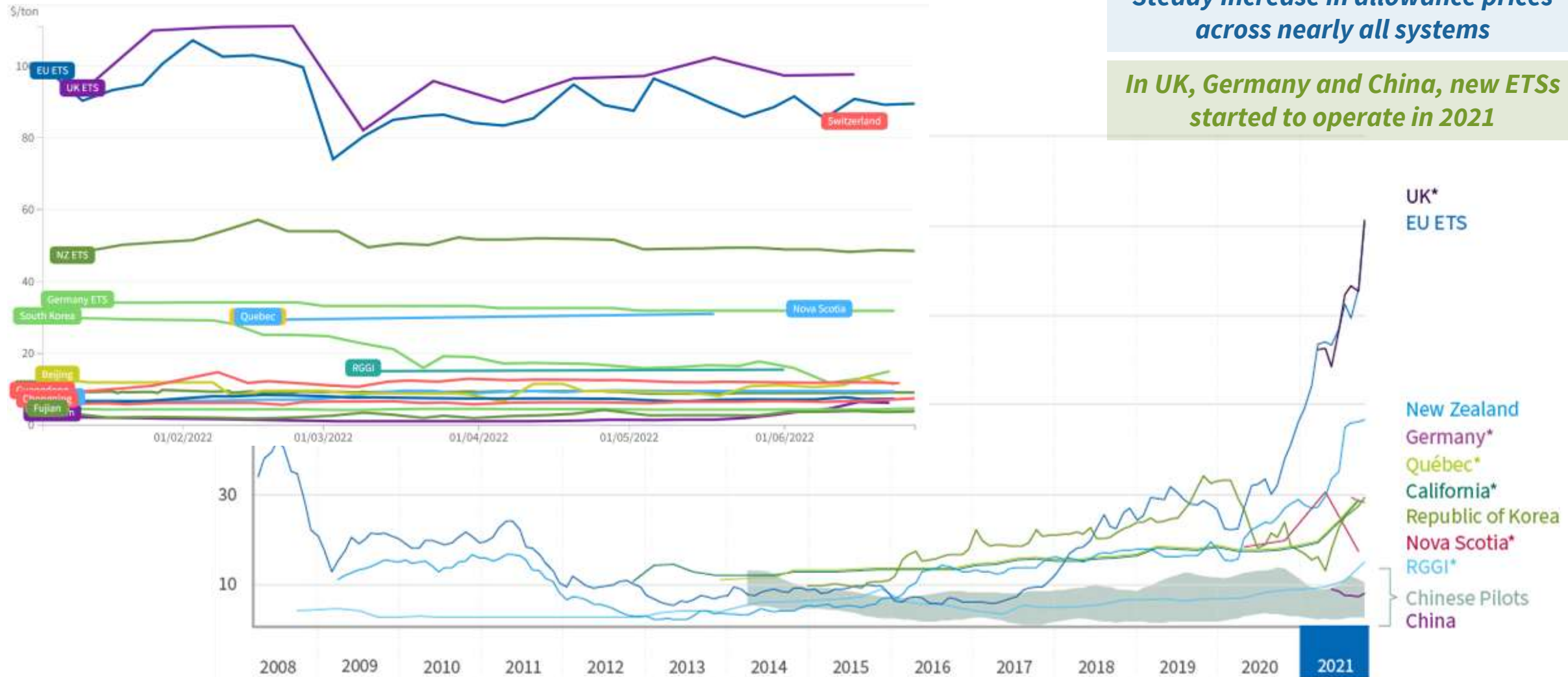
*Most systems cover emissions from power and industry*

*The sectoral coverage of several ETSs expands to other sectors as well*

*The share of emissions covered and the point of regulation (upstream vs downstream) varies significantly across systems*

\* Coverage numbers reflects CO<sub>2</sub> emissions only

# Allowance price developments



*Steady increase in allowance prices across nearly all systems*

*In UK, Germany and China, new ETSS started to operate in 2021*

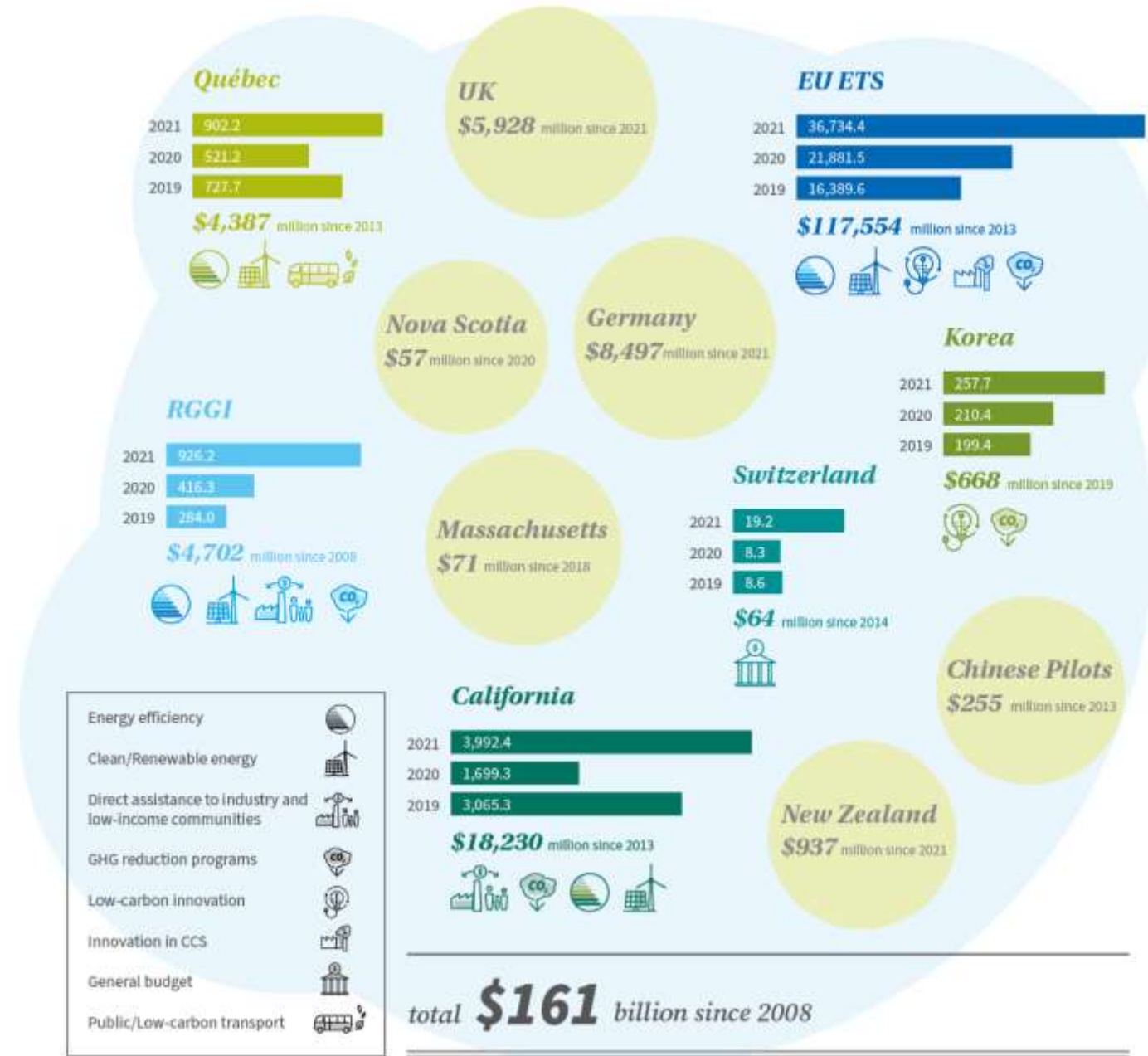
\* primary market prices

# Auctioning revenues

High carbon prices and new revenue streams in NZ and DE generated record levels of auctioning revenues

Cumulative auctioning revenues grew by more than 50% year on year, from \$103bn to \$161bn

Revenues are being reinvested to further climate action or assist industry and consumers





# Emissions trading at a time of an energy crisis



## **Governments around the world have reaffirmed their commitment to ETS**

*With a few exceptions, the current energy crisis has not caused major backsliding in ETS implementation and reform processes around the world*



## **Markets proved to be resilient and shocks were contained**

*Thanks to flexibility and long-term stability, price levels and market performance reacted well to significant external shocks*



## **Challenges lie ahead, but markets have a key role to play going forward**

*ETS remain a key tools to speed up decarbonisation while safeguarding covered entities and consumers*

# ICAP ETS Tools

## ICAP new website and map



## News

Objective coverage on all regulatory ETS developments as they occur



## ETS briefs

Introduction of the basics of cap-and-trade



## Infographics

Visualization of key ETS trends



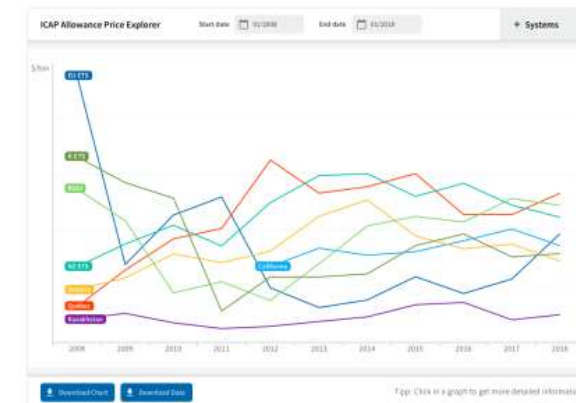
## Publications

Key reference material on ETS



## Allowance Price Explorer

Historical and current carbon prices worldwide



**Thank you for your attention!**

[www.icapcarbonaction.com](http://www.icapcarbonaction.com)