



Emissions Trading Worldwide

International Carbon Action Partnership (ICAP)
Status Report 2018

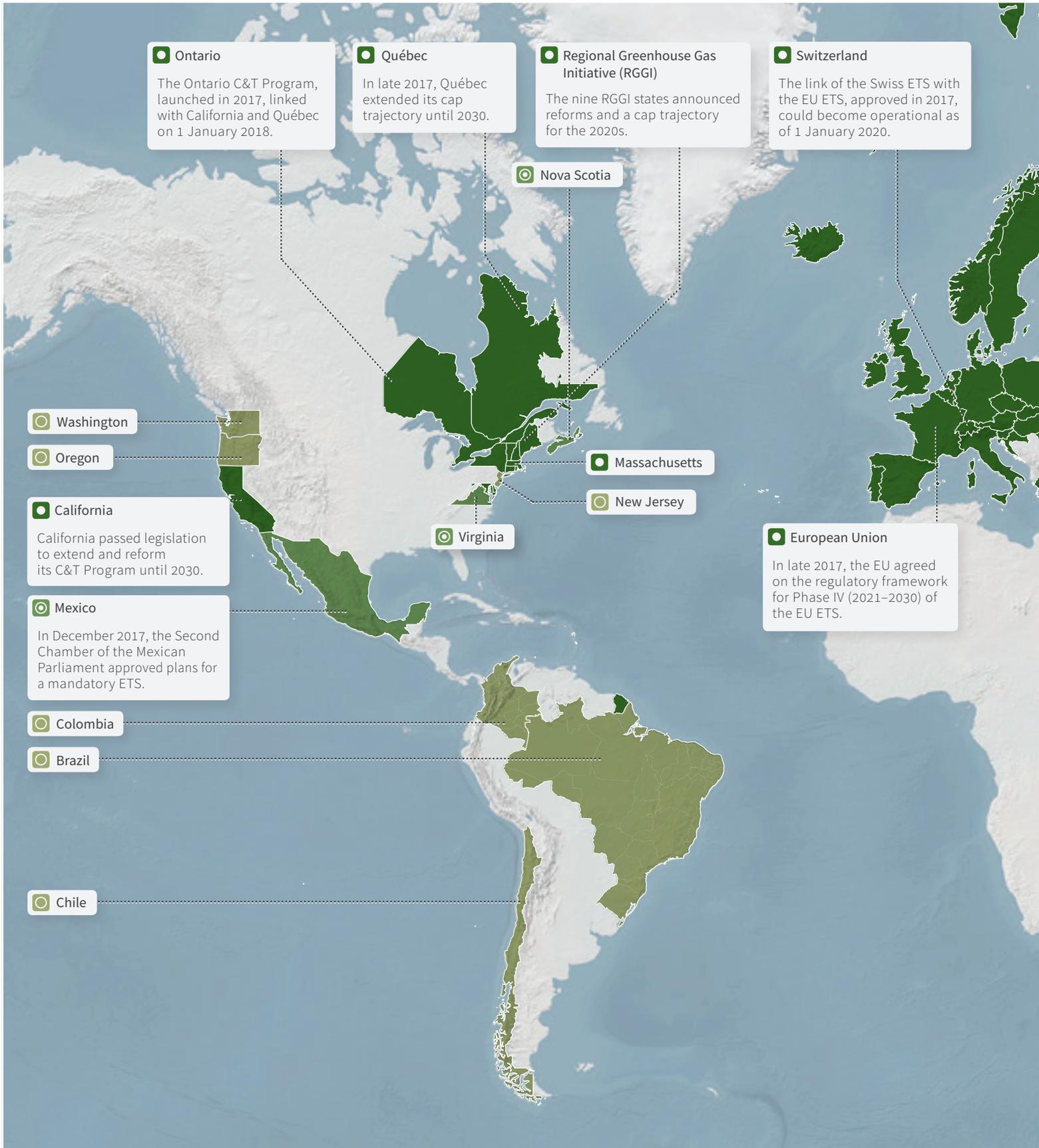


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Emissions Trading Worldwide

The state of play of cap-and-trade in 2018

The ICAP ETS world map depicts emissions trading systems currently in force, scheduled or under consideration. After China launched its national carbon market in late 2017, there are now 21 systems covering 28 jurisdictions in force. Another five jurisdictions—Mexico, Nova Scotia, Taiwan (China), Ukraine and Virginia—have an ETS officially scheduled. Finally, ten governments at different levels are considering the implementation of an ETS as part of their climate policy strategy, amongst them Colombia, Washington State and Thailand.



A regularly updated, interactive version of the ICAP ETS map with detailed information on all systems is available at:

www.icapcarbonaction.com

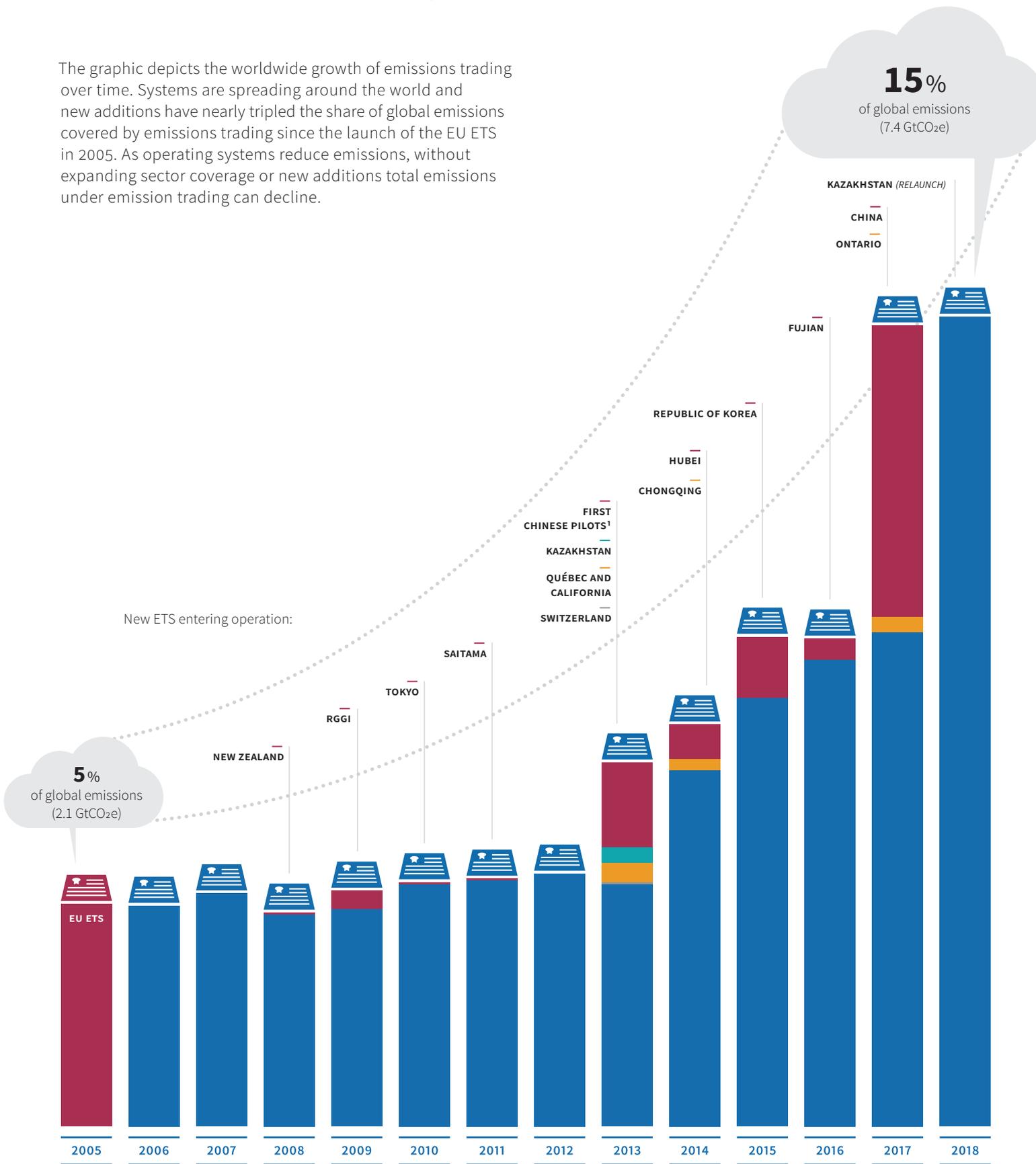
-  ETS in force
-  ETS scheduled
-  ETS considered



Tripling the Share

Emissions coverage over time

The graphic depicts the worldwide growth of emissions trading over time. Systems are spreading around the world and new additions have nearly tripled the share of global emissions covered by emissions trading since the launch of the EU ETS in 2005. As operating systems reduce emissions, without expanding sector coverage or new additions total emissions under emission trading can decline.



Share of global emissions covered in % as well as absolute amount in GtCO₂e.

¹ First Chinese Pilots include Beijing, Guangdong, Shanghai, Shenzhen, Tianjin.

Systems are indicated in a different colour only when they are first implemented.

Sector Coverage

Sectors included in emissions trading across systems



POWER



INDUSTRY



BUILDINGS



TRANSPORT



AVIATION



WASTE

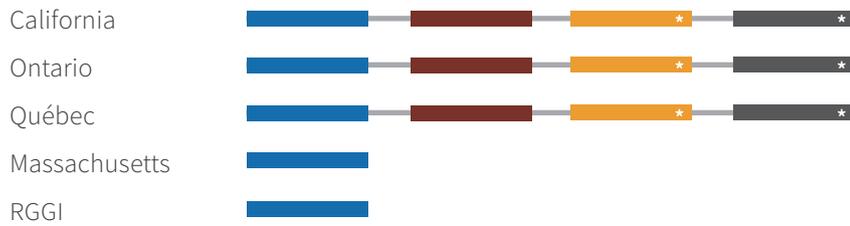


FORESTRY

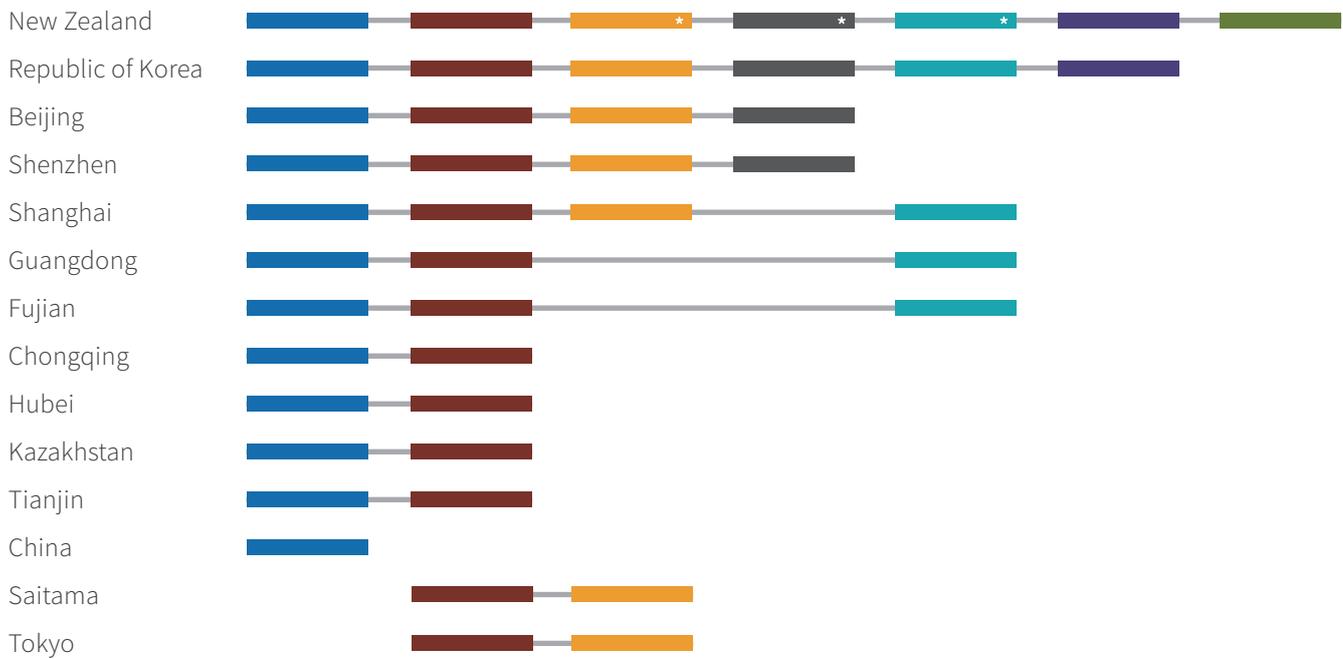
EUROPE



NORTH AMERICA



ASIA & PACIFIC



— Sectors connected by emissions trading.

* Represents upstream coverage.

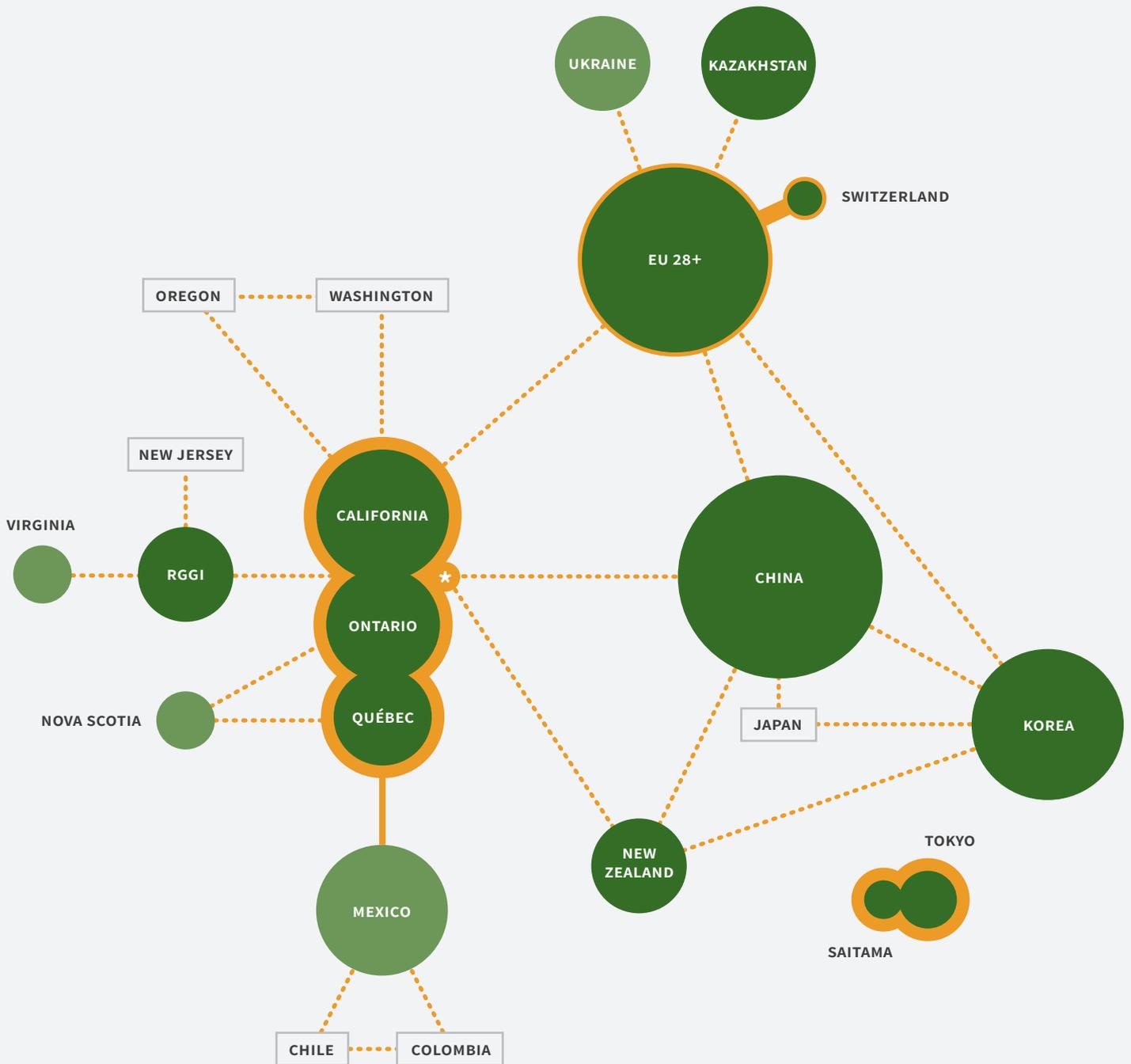
Carbon Market Connections

The state of linking and cooperation in emissions trading in 2018

Various jurisdictions are cooperating on carbon markets. The figure depicts three different levels of cooperation. Proximity and strength of connecting lines indicate the level of cooperation, while bubble sizes roughly correspond to the respective market volumes.

Legend:

- ETS in force
- ETS scheduled
- ETS considered
- Existing Link
- Planned Link
- Memorandum of Understanding (MoU)
- Talks



* In the case of WCI jurisdictions (California, Ontario, Québec), carbon market diplomacy is usually depicted here as connections to the WCI "halo" rather than to individual jurisdictions. This is because any linkage would apply to the entire system and agreements be concluded with all participating jurisdictions. Mexico has individual MoUs with California and Québec and a Joint Declaration with Ontario and Québec together.

Different Shapes of Cap-and-Trade

A comparative look at key metrics from carbon markets

This graphic depicts five well-established systems according to four key metrics. The price of allowances expresses the carbon price signal while the share of allowances not provided for free further impacts the cost imposed by the instrument. The cap reduction pathway indicates the rate of change guaranteed by the system, whereas the coverage characterizes the share of the economy over which the cap applies.

Systems:

- European Emissions Trading System (EU ETS)
- Korean Emissions Trading System (KETS)
- New Zealand Emissions Trading Scheme (NZ ETS)
- Regional Greenhouse Gas Initiative (RGGI)
- Western Climate Initiative (WCI)

