



Carbon market collaboration and linkage initiatives

TRENDS AND CHALLENGES

18th IEA-IETA-EPRI Annual Workshop on Greenhouse Gas Emission Trading

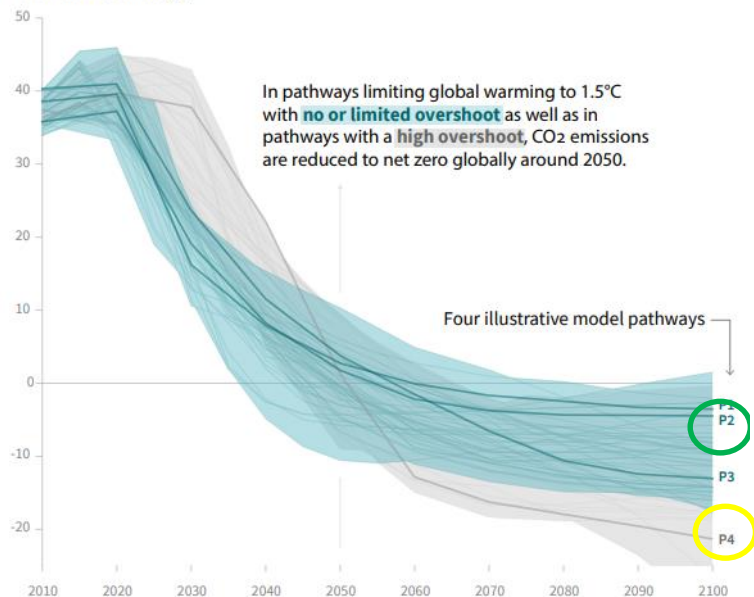
Session 3

Achieving 2°C or 1.5 °C target

International cooperation a major enabler

Global total net CO₂ emissions

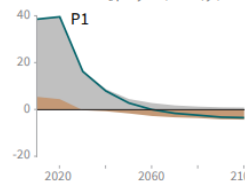
Billion tonnes of CO₂/yr



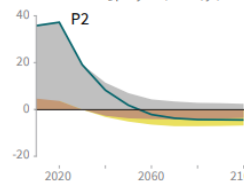
Breakdown of contributions to global net CO₂ emissions in four illustrative model pathways

● Fossil fuel and industry ● AFOLU ● BECCS

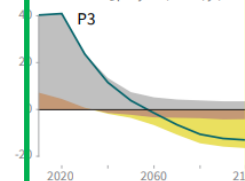
Billion tonnes CO₂ per year (GtCO₂/yr)



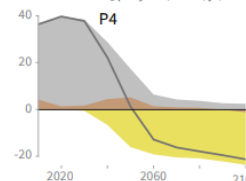
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International cooperation strengthen climate action through enhancing access to finance and technology.

Source : 1.5 °C IPCC report, 2018

Carbon market collaboration and linkages

Beyond climate, economic and policy motivations

Lower GHG emissions
abatement costs and
market efficiency

Technology transfers

Carbon pricing in non-
regulated sectors and
countries

Sustainable benefits
and maximization of
SDGs

Sharing experiences
between countries

Building a climate
regional policy

Carbon market collaboration and linkages

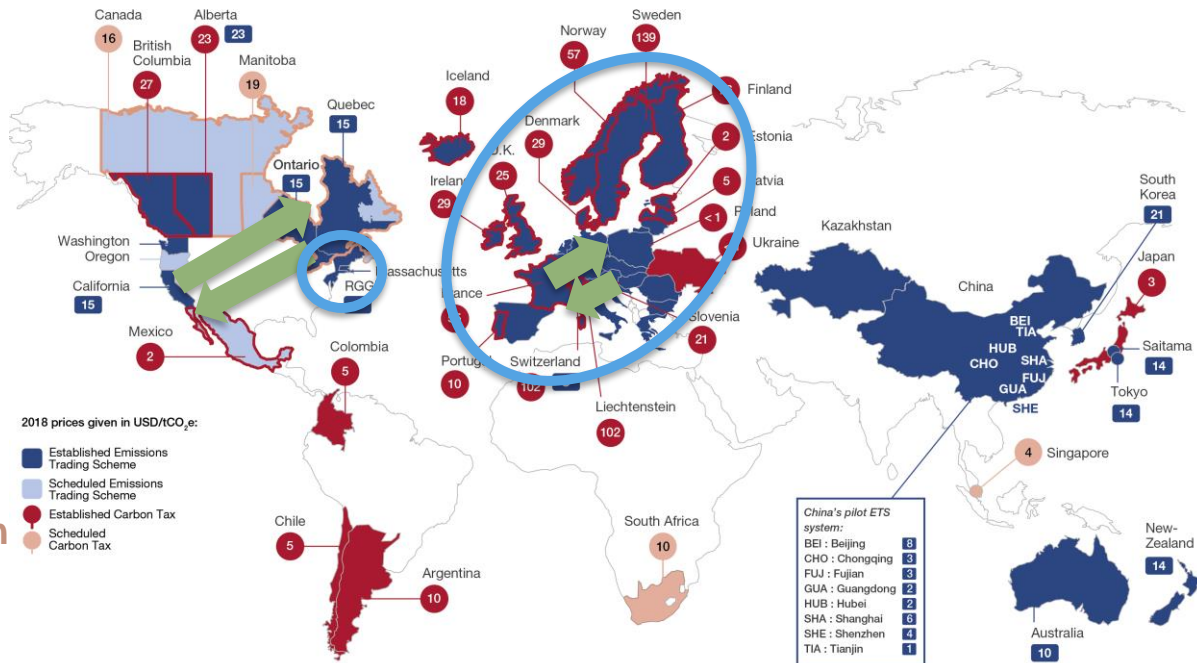
Overview of experiences in 2018

ETS linkages :

- California / Québec / Ontario
- EU ETS / Switzerland

Regional carbon pricing dialogue cooperation :

- Carbon pricing in Americas
- Western Climate Initiatives



Regional ETS:

- EU ETS
- RGGI

UNFCCC international carbon pricing collaboration

- CDM/JI

Carbon market collaboration

The European Union's experience



- **EU ETS connexion :**
 - The tentative of the EU ETS –Australia ETS connexion in 2012-2014
 - The EU ETS and Swiss ETS connexion in 2017
- **Bilateral cooperation : capacity building and technical assistance**
 - China : Platform for Policy Dialogue and Cooperation between EU and China on Emissions Trading” 2017-2020
 - Korea
- **Multilateral cooperation forum : promotion of carbon pricing policies**



Carbon market collaboration and Lessons for the future

Some drivers appear key to develop carbon cooperation initiatives :

- Aligning economic and policy interests of countries is key to build a cooperation initiative : capacity building, technical assistance, ETS connexion, Carbon taxes dialogue
- Sharing experiences and encourage bilateral and regional dialogue on carbon pricing : Americas, Africa, EU-China, etc..
- Managing technical aspects for ETS connexion.
- Demonstrating national/local benefits of the carbon cooperation to support acceptability



Carbon market collaboration and linkages

Perspectives

- **Multilateral perspectives**
 - Articles 6.2 and 6.4 for international cooperation
 - Sectoral agreement : CORSIA implementation, IMO
- **Domestic and regional carbon pricing development**
 - As of September 1, 2018, 46 national jurisdictions and 25 subnational jurisdictions are putting a price on carbon
- **Blockchain : a game changer for carbon markets?**

Climate expertise

Your partner for a positive change

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EcoAct Group offers the most efficient and comprehensive range of solutions to help its customers effectively meet the climate change challenges.

With more than 12 years of experience in the development of international climate strategies and solutions, the EcoAct Group supports executives in the transformation of their business model, to make climate action a real driver of performance. .

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