Emissions trading systems worldwide

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About the International Carbon Action Partnership

An international **forum** of **41 national & subnational** governments to **exchange** knowledge and experiences on emissions trading systems (**ETS**)  

- Share **best practice** & learn from each others’ experiences  
- Facilitate **development and improvement** of carbon markets  
- Explore the **role** of emissions trading in decarbonization
Key ETS trends

**Momentum for ETS development and implementation continues**
The number of systems and the global ETS coverage more than doubled over the last decade and continues to rise.

**ETSs worldwide have weathered an eventful year without major disruptions**
Despite the challenging and unprecedented global backdrop, existing systems showcased maturity and proved to be remarkably resilient to significant external shocks.

**Carbon prices remain largely unchanged but keep raising record revenues**
After significant gains in 2021, prices in most systems started and ended 2022 at around the same levels, despite some fluctuations over the year. With more than USD 63 billion of auctioning proceeds collected, 2022 marked another record year.
Global expansion of ETS

The number of ETS systems in force grew from 25 to 28

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

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

5% of global GHG emissions

17% of global GHG emissions
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 across systems
Auction share and use of offsets

Auction share 0-100%

Offset use 0-20%
Allowance price developments

Allowances prices in most systems ended 2022 largely unchanged

This follows significant price gains and record levels over the last 3+ years.
High carbon prices and new revenue streams raised a record $63 billion globally in 2022. The EU ETS represents 2/3 of the total.

More than half of the total revenues raised by ETSSs since 2008 was collected in 2021 and 2022 alone.

Revenues are being reinvested to further climate action or assist industry and consumers.
ETS and the energy crisis

**EU member states**

- **Consumer Price Index (CPI)**
- **Energy component of CPI**
- **Allowance Price Index (API)**

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**Allowance price index made significant gains in 2021, but largely stagnated in 2022**

**On the contrary, allowance prices largely stagnated over the year after seeing significant increases in 2021**

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1. CPI and the energy component of CPI correspond to values for the EU 27 member states.
2. CPI and the energy component of CPI in California correspond to values in the West urban region.
3. CPI and the energy component of CPI in RGGI states correspond to values in the Northeast urban region.
Thank you

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