



International Carbon
Action Partnership

Introduction and outline of the course

Stefano De Clara

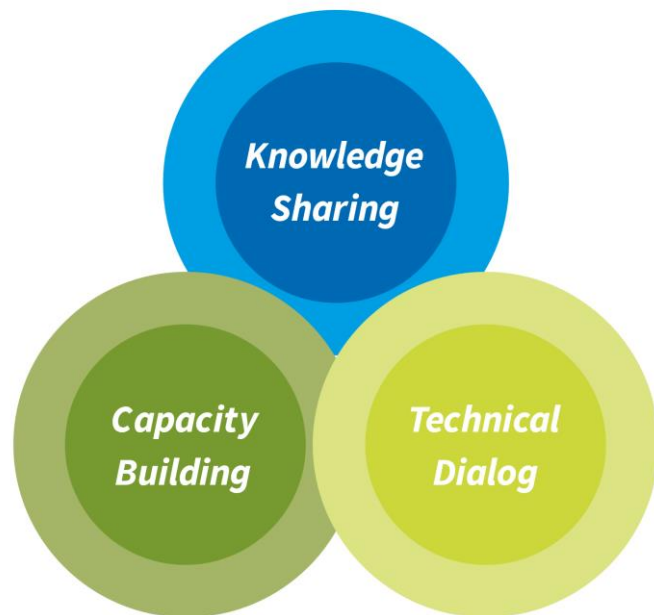
Head of Secretariat, International Carbon Action Partnership (ICAP)

16 October 2023

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



ICAP & PMI Asia Pacific ETS Training Course

Bangkok, 16 – 20 October 2023

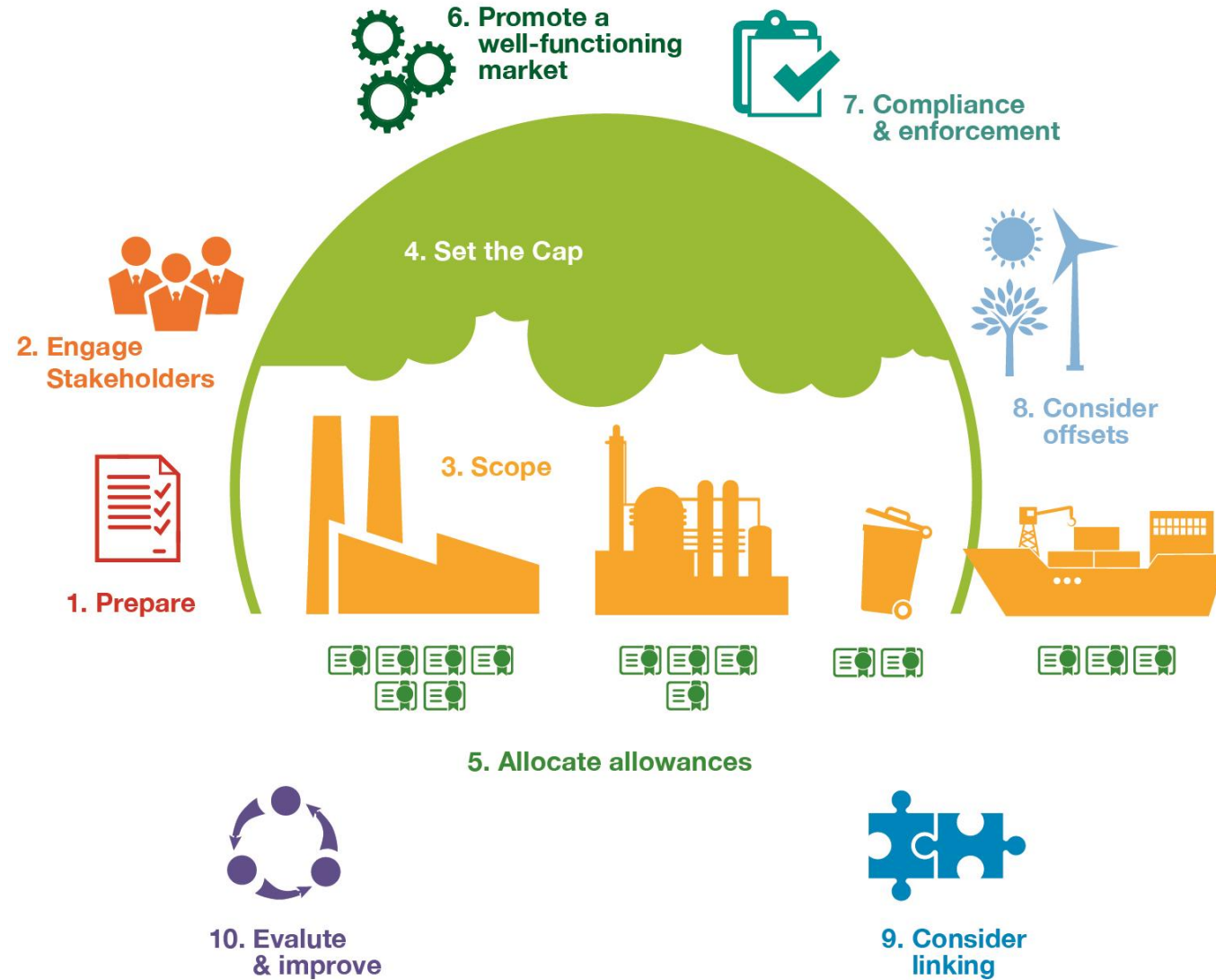
- The course aims to provide government officials in the Asia Pacific region with a robust understanding of key concepts around ETS design and implementation.
- Understand the relevance and direct benefits of an ETS for achieving climate change mitigation goals in a cost-effective manner.
- Understand the design elements of an ETS, their interaction and the impact of different design choices on market function as well as the environmental effectiveness of the system.
- Continue to build a network of ETS experts in the region.

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- This training course is **practice-oriented**: focus on practical examples and operation.
- Sessions are **mix** of content, practical examples and interactive exercises.
 - **Content**: The theory behind ETS.
 - **Practical examples**: Perspectives from regulators and regulated entities.
 - **Interactive exercises**: Simulation exercises on key topics.
- The speakers in the course are ETS **experts** and **practitioners** from several jurisdictions.

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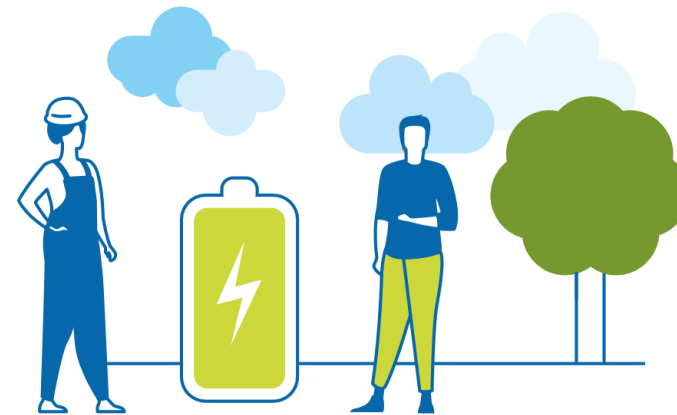
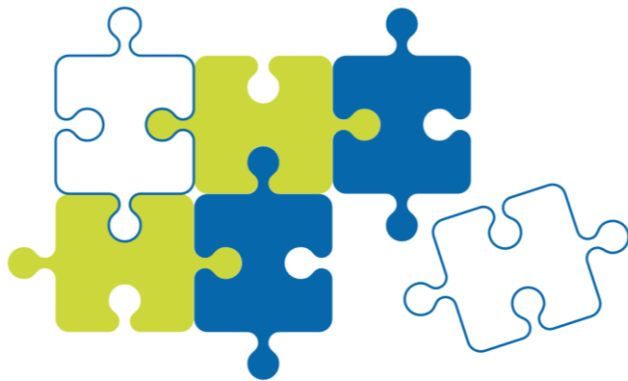
	Monday October 16	Tuesday October 17	Wednesday October 18	Thursday October 19	Friday October 20
9:00 – 10:30	Welcome, course outline, ETS around the world + icebreakers	*Group exercise* (negotiations on cap and scope)	Administration of ETS	*Carbon Sim* (Part 1)	Supply and demand of carbon credits
	Flavia Rosembuj (PMI) Stefano De Clara (ICAP) Fabrizio Zarcone (WB)		Benjamin Görlach, Ecologic <i>Luke Martland, Washington State</i> Su Chang, China		Marcos Castro, World Bank Bjorn Fonden, IETA
Coffee					
11:00 – 12:30	*Group exercise* Participants present on their systems	Allocation	Carbon Market Dynamics: Actors & Strategies	*Carbon Sim* (Part 2)	Spectrum of Reliance
		Benjamin Görlach, Ecologic <i>Peter Wood, Australia</i>	Benjamin Görlach, Ecologic <i>Nick Soeteman, ACT</i>		Marissa Santikarn, World Bank <i>Australia**</i> <i>Rui Yun, Singapore</i>
Lunch					
13:30 – 15:00	Scope & Coverage	Assessing and managing the impacts of ETS	*Group exercise* (negotiations on allocation and PSAMs)	Lessons from Implementation	Offsetting as part of ETS
	Stefano De Clara, ICAP <i>Scott Gulliver, New Zealand</i>	Benjamin Görlach, Ecologic / Marissa Santikarn, World Bank <i>Ruben Vermeeren, EU</i>		World Bank/ICAP/Ecologic Su Chang, China	Stefano De Clara, ICAP <i>Maureen Lee, Ecoeye</i>
Coffee					
15:30 – 17:00	Cap setting	Maintaining Market Stability	MRV	Ask me anything + Wrap up	Operationalisation of Article 6 Wrap-up & Closing
	Marcos Castro, World Bank <i>Matthew Davies, United Kingdom</i>	Benjamin Görlach, Ecologic <i>Owen Gittings, United Kingdom</i>	Harikumar Gadde, World Bank <i>Hui Qing Chwee, Singapore</i>	<i>ICAP, WB, all participants</i>	Harikumar Gadde, World Bank UNFCCC RCC Bjorn Fonden, IETA

Key: 1) Presenters marked in *italics* will be attending virtually. 2) Sessions in ***BLUE*** will be interactive.

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- Key objective: build an **ETS community** with participants.
- Benefit from the speakers: **ask questions** and approach them!
- And **learn from each other!**

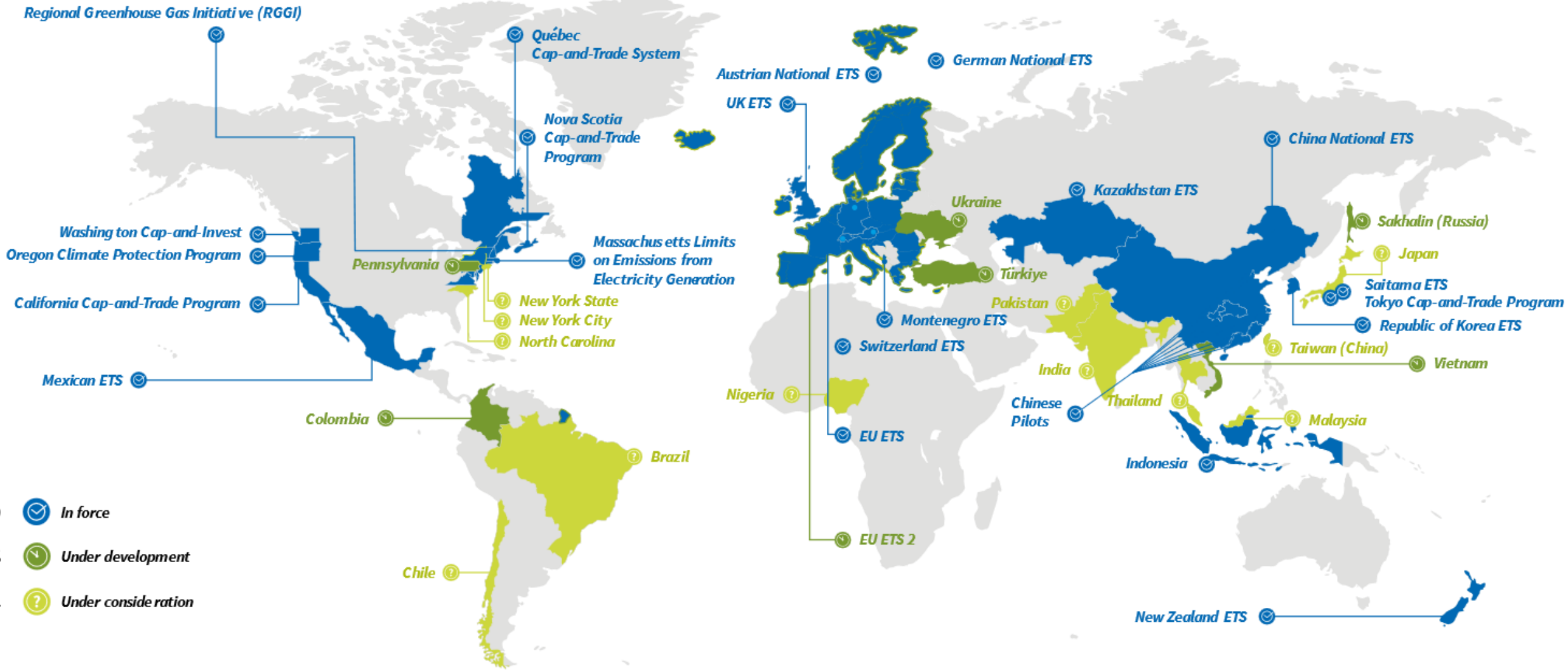




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ETS Worldwide

ETS worldwide

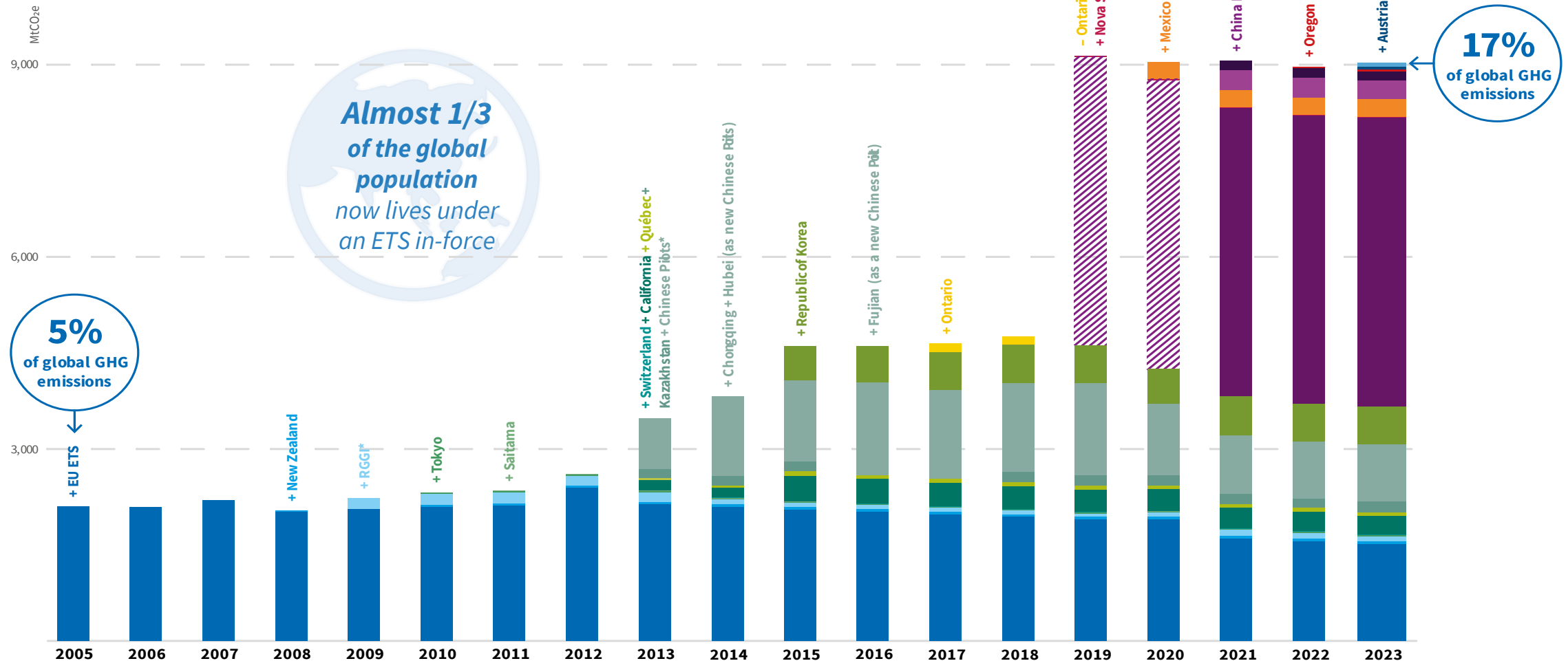


- 29  In force
- 8  Under development
- 12  Under consideration

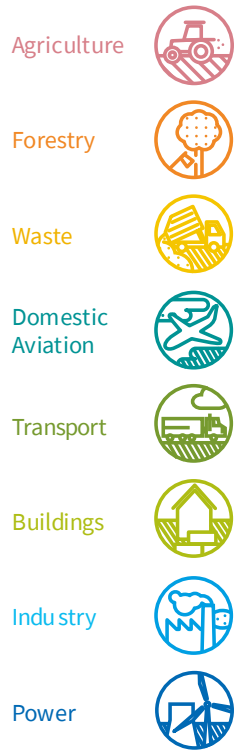
Global expansion of ETS

The number of ETS systems in force grew from 25 to 29

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

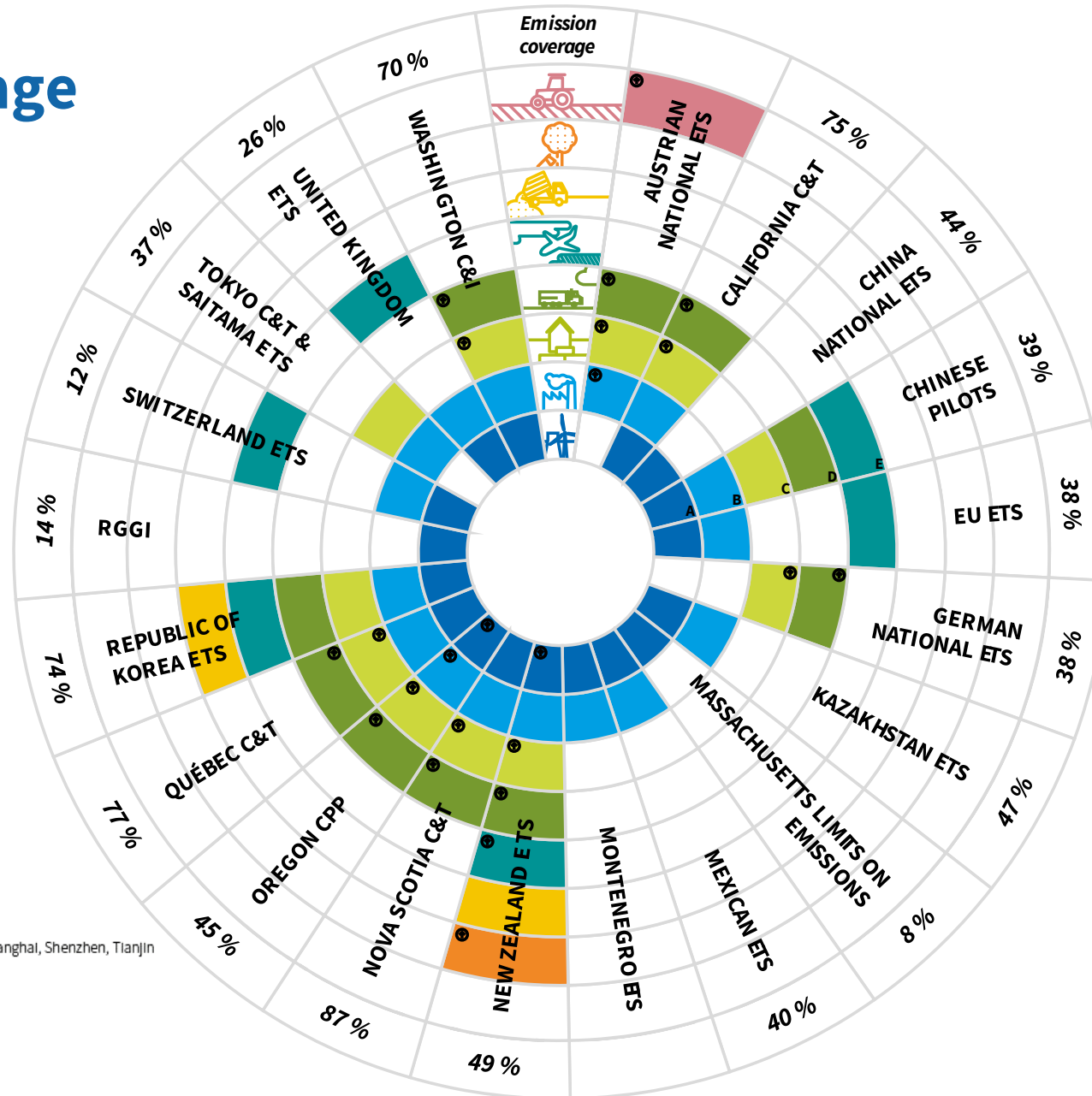


Sectoral coverage



- A The Fujian ETS covers the electricity grid
- B Beijing, Chongqing, Fujian, Guangdong, Hubei, Shanghai, Shenzhen, Tianjin
- C Beijing, Shanghai
- D Beijing, Shanghai, Shenzhen
- E Fujian, Guangdong, Shanghai

⬆ Indicates which sector is covered upstream



Most systems cover emissions from power and industry

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

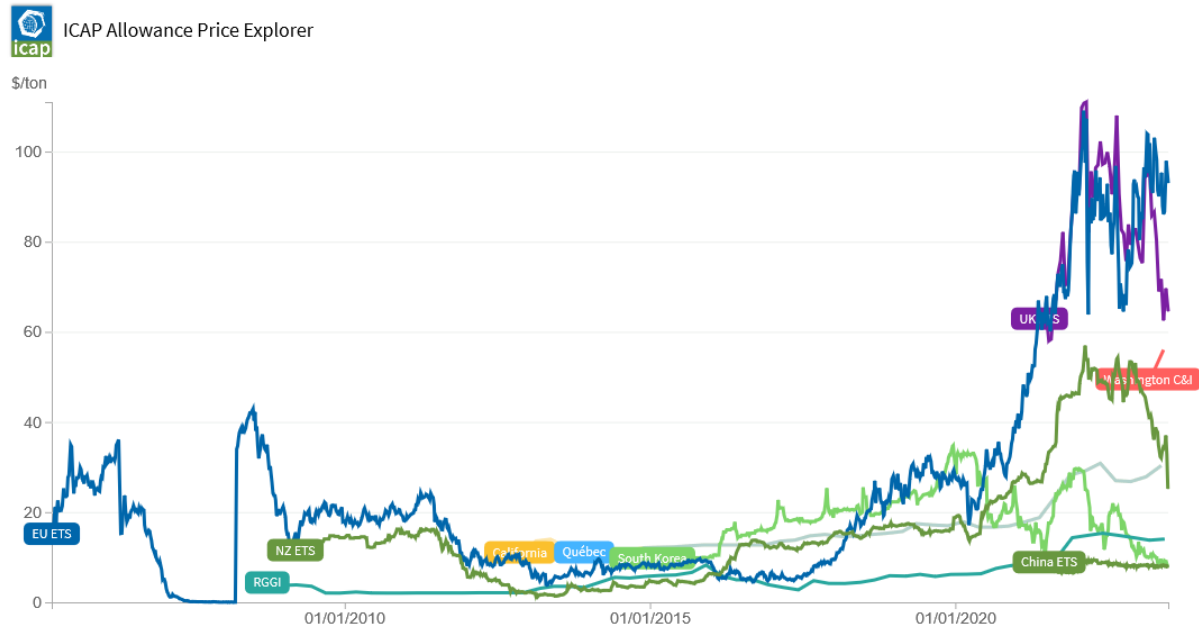
The share of emissions covered and the point of regulation (upstream vs downstream) varies across systems

Allowance price developments

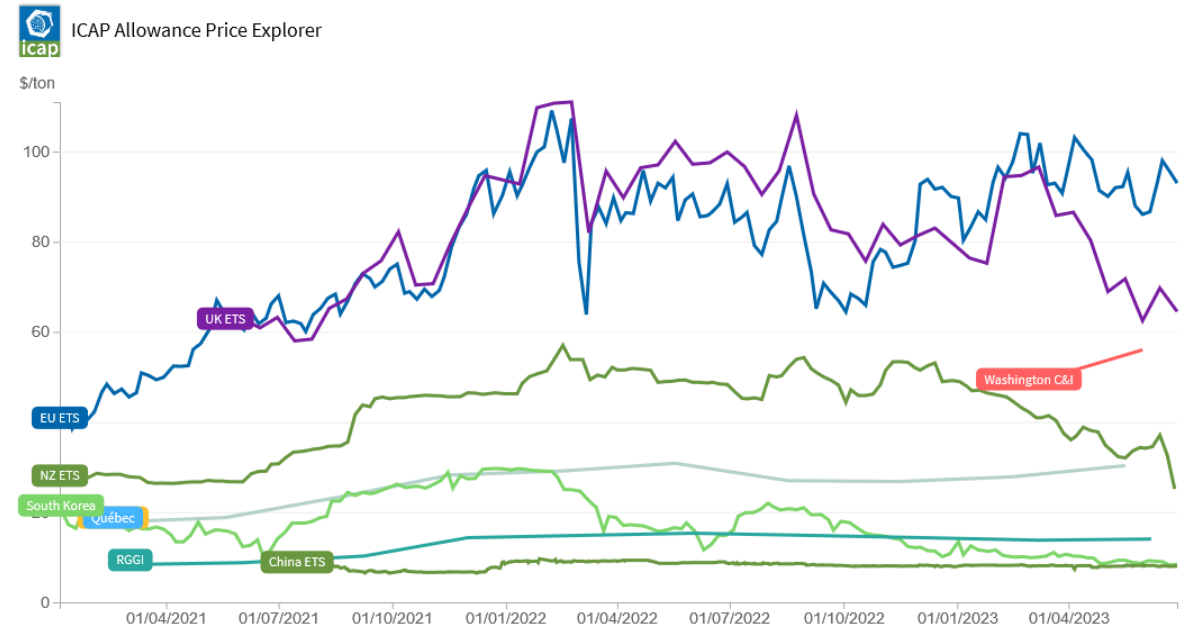
Allowances prices in most systems have been largely stable since 2022

This follows significant price gains and record levels over the last 3+ years

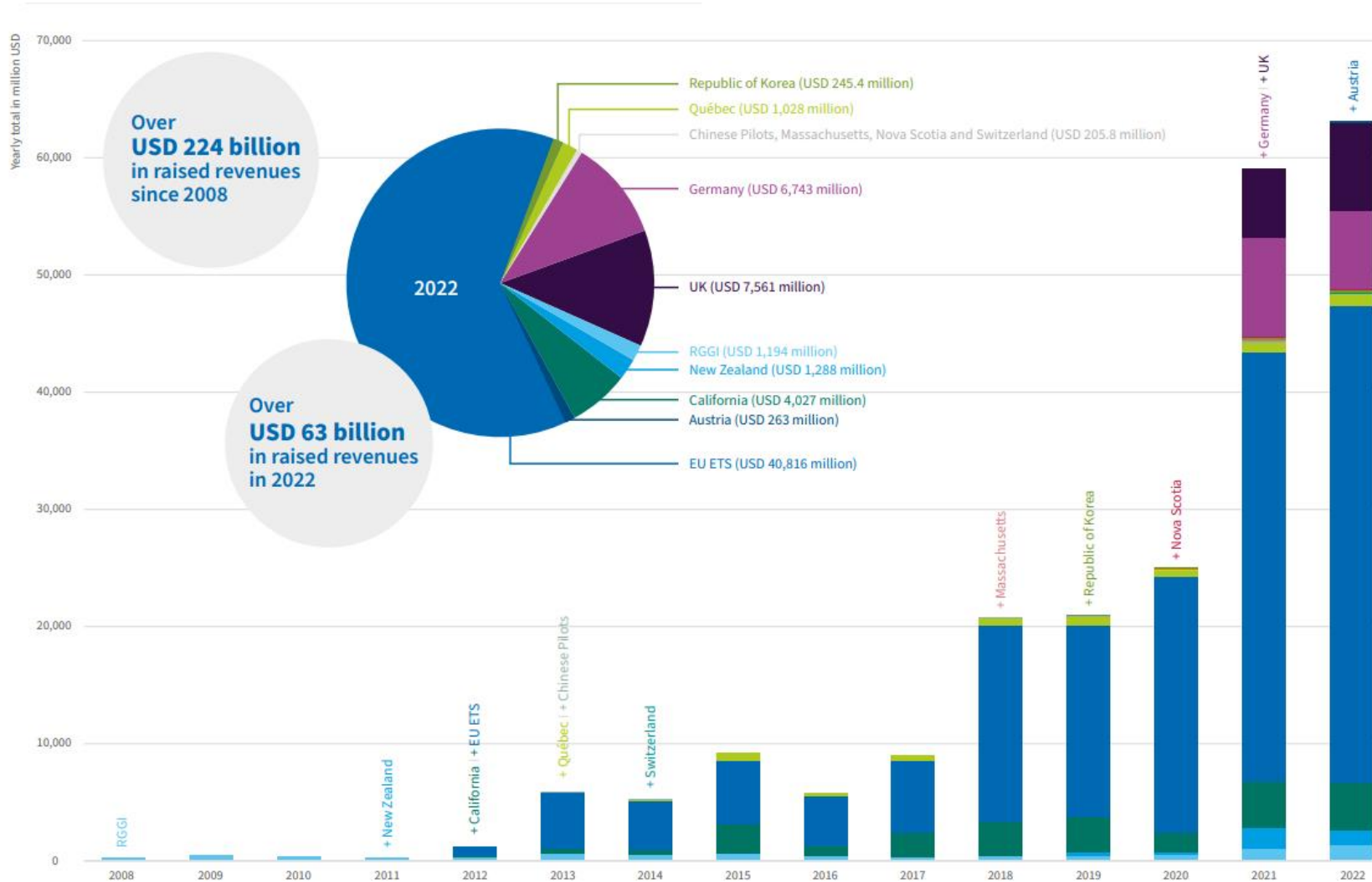
2005 - 2023 (June)



Jan 2021 - Jun 2023



Auctioning revenues



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 ETSs since 2008 was collected in 2021 and 2022 alone

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

Thank you



@ICAPSecretariat



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www.icapcarbonaction.com